

The NATIONAL UNDERWRITER

Our Growth in Assets

1930 \$595,687
 1933 \$1,023,038
 1936 \$2,142,104

FINANCIAL STATEMENT

As of December 31, 1936

ASSETS

Cash	\$ 123,341.74
U. S. Government Bonds	518,261.25
Public Utility Bonds	336,230.00
Industrial Bonds	134,307.50
Railroad Bonds	24,040.00
Stocks	538,872.25
First Mortgage Loans	75,800.00
Home Office Building	80,000.00
Accrued Rents	955.00
Accrued Interest	13,008.46
Premiums Receivable (Under 90 Days)	297,288.15
Total	\$2,142,104.35

LIABILITIES

Reserve for Unearned Premiums \$	761,633.69
Reserve for Claims and Adjustment Expense	466,585.35
Accounts Payable	9,966.88
Reinsurance Payable	2,539.76
Accrued Taxes	43,816.43
Accrued Commissions	77,677.90
Dividends Declared	7,500.00
Voluntary Reserve	172,384.34
Total Liabilities	\$1,542,104.35
Capital	\$300,000.00
Surplus	300,000.00
Surplus to Policyholders	600,000.00
Total	\$2,142,104.35

Bonds and Stocks at Actual Market Value Dec. 31, 1936

RATED A+ IN BEST'S

AMERICAN STATES INSURANCE COMPANY
Indianapolis, Indiana

THURSDAY, FEBRUARY 18, 1937



STATEMENT of CONDITION

December 31, 1936

	<i>Assets</i>	<i>Liabilities</i>	<i>Surplus to Policyholders</i>
FIREMAN'S FUND			
Insurance Company . . .	*\$40,619,567	\$17,061,669	\$23,557,898
HOME FIRE & MARINE			
Insurance Company . . .	*6,625,755	2,660,669	3,965,086
OCCIDENTAL			
Insurance Company . . .	4,646,260	1,007,657	3,638,603
FIREMAN'S FUND			
Indemnity Company . . .	9,144,536	5,549,108	3,595,428
OCCIDENTAL			
Indemnity Company . . .	3,715,287	1,622,067	2,093,220

Bonds carried at amortized value—stocks at December 31st, 1936 market value—approved by National Convention of Insurance Commissioners.

** Stock ownership in affiliated insurance companies valued on basis of capital and net surplus.*

Securities carried in the above statements are deposited for purposes required by law. Fireman's Fund Insurance Company, \$620,850; Home Fire & Marine Insurance Company, \$467,600; Occidental Insurance Company, \$284,200; Fireman's Fund Indemnity Company, \$1,033,750; Occidental Indemnity Company, \$400,250.

STRENGTH · PERMANENCE · STABILITY

Fire · Automobile · Marine · Casualty · Fidelity · Surety

FIREMAN'S FUND GROUP
Fireman's Fund Insurance Company — Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company — Occidental Indemnity Company

New York · Chicago · SAN FRANCISCO · Boston · Atlanta

[DEPENDABLE INSURANCE SINCE 1863]



ONLY **ONE** OF ITS KIND

175

WEST JACKSON BLVD., CHICAGO

"The Insurance Exchange"

In Chicago, probably more than any other city, you will find a concentration of businesses, such as furniture, automobile, clothing, etc., but the center of all insurance activity in Chicago and the middle west is the Insurance Exchange Building. Nowhere else in the country will you find such a great centralization of the insurance business in one area.

175 West Jackson is the address of the largest insurance building in the world. There are over a million square feet of floor space in this 22 story outstanding white terra cotta structure. There is an abundance of light and good air which assures ideal working conditions. Its cleanliness and modern appointments please even the most exacting.

Let us give you complete details on the advantages of having your Chicago office in the Insurance Exchange Building. No obligation, of course. Write E. W. Rinder, Mgr.

INSURANCE EXCHANGE BUILDING

E. W. RINDER, Mgr.

R. C. SWANSON, Asst. Mgr.

175 West Jackson Boulevard

Chicago, Illinois

An Unsound Proposal—

Again the specter of a sub-standard limits Automobile Bodily Injury and Property Damage policy rears its ugly head. A number of company underwriters have submitted to their Agents for consideration the suggestion that a policy be written with an inclusive limit of \$1,000. The suggested premium would be two thirds of the premium for a policy with standard limits.

This unsound and unwholesome proposal to write a low-limit policy has, in one form or another, been made so frequently that it well may be that its authors will not be satisfied until they put it to the test. When they do so, however, they will, in our judgment, be guilty of a disservice to the best interests of insurance.

For years the trend in automobile Bodily Injury and Property Damage insurance has been toward broad policies and adequate limits. Companies have striven to place upon the market policies in which they could justly take pride. It is to be hoped that these same companies will not now do an about-face and issue policies for which they must apologize.

The percentage of motorists insured against bodily injury and property damage claims has varied only slightly in the last dozen years, save as it has been increased by the operation of Financial Responsibility Laws in certain states. In our judgment, improved Financial Responsibility Laws offer the most enlightened means of inducing a progressively increasing number of motorists to carry third-party insurance. Without the coercion of these laws, the only persons who will carry such insurance are those who recognize their own need for the protection that it offers. Motorists who, in the past, have not felt impelled by a sense of self-respect or by their desire for protection, to carry Bodily Injury and Property Damage insurance providing for standard or higher limits would hardly do so because of the saving of one third of the premium, the bait with which they would be tempted to carry insurance grossly inadequate to meet their needs.

On the contrary, a not improbable result of the exploitation of a low-limit policy would be that many persons now carrying standard limits policies would switch to the low-limit form. Naturally, the outcome of the proposal is speculative, but it seems altogether likely that the loss of commissions to Agents and of premium income to companies resulting from the epidemic of switching that might eventuate would substantially offset, if indeed not actually exceed, the gain from new business that might be attracted by the sub-standard limit policies at the lower rates.

The widespread sale of these low-limit policies would give rise to a claims situation that is not pleasant to contemplate. Claims men are acutely aware of the embarrassments and difficulties that too often arise where an insured who buys standard limits coverage is faced with the necessity of paying that proportion of a claim or judgment in excess of his policy limit. The sub-standard limit policy would multiply this difficulty many fold.

But the clinching argument against this proposal would have been discovered by its sponsors had they discussed it with responsible claims department executives before permitting it to reach the stage of publicity. Claims men everywhere have been alarmed by the growing frequency with which companies have had to pay

sums in excess of their policy limits—sometimes considerably higher than standard limits—these excess payments having resulted from charges of negligence or bad faith against the companies where, during settlement negotiations, they had refused demands howsoever absurd, within the policy limits, but were nevertheless subsequently faced with judgments against the insured for amounts greatly in excess of policy limits. That the adoption and widespread sale of a low-limit policy would give rise to a multiplicity of these extraordinary payments goes almost without saying.

Not only would there be a mountain of criticisms and protests from irate insured who would resent having been sold inadequate insurance, but perhaps even more vociferous complaints from claimants who were able to collect only a small percentage of the amounts due them. To the argument that such claimants would prefer partial compensation to none at all, there is the obvious answer that, so far as the institution of insurance is concerned, it is infinitely better off with these criticisms and complaints leveled at the offending individuals rather than at insurance companies.

It should be emphasized that the practical limit of bodily injury coverage under this proposed policy is much less than \$1,000. For in the case of every accident resulting in a claim for both bodily injury and property damage, the sum actually available for bodily injury claims would be the difference between \$1,000 and the sum paid out on account of damage to property. An accident resulting in one or more serious property damage claims might consume all or the greater part of the \$1,000 limit, leaving little or nothing to be paid on account of claims growing out of bodily injury.

And underwriters should bear in mind that the proposed policy would cover virtually all property damage claims (since such claims seldom exceed the sum of \$1,000) at two thirds of the regular rate, with no offsetting benefit whatsoever.

Attention should always be emphatically called to the fact that the minimum limits of liability upon which certification of financial responsibility can be made in states and provinces—and there are thirty such states and eight such Canadian provinces—having Financial Responsibility Laws, is \$5/10,000, which until now have been generally conceded to be the minimum limits compatible with the reasonable protection of policyholders.

Judicious automobile insurance buyers will question a limit of automobile Bodily Injury insurance that is less by 80 percent than the standard property damage limit.

Whether the proposal to issue sub-standard limit policies is adopted or not, we shall continue strongly to urge our producers to refrain from selling automobile Bodily Injury policies carrying lower limits than the standard \$5/10,000, which are the very minimum that any prudent motorist ought to consider. We strongly recommend now, as in the past, that our producers explain to every prospect and to every insured the desirability of carrying limits of \$10/20,000 and the great value in protection and peace of mind afforded by limits substantially in excess of these.

The proposal for sub-standard limits hardly represents the well considered judgment of the insurance fraternity.

AMERICAN AUTOMOBILE INSURANCE COMPANIES

L. A. HARRIS, *President*

ST. LOUIS, MISSOURI

Oldest and Largest Insurers of Automobiles Exclusively

Illinois Code Is Started on Way

Introduced in Both Houses of Legislature and Referred to Respective Committees

POINTS BY DEPARTMENT

Review of Important Features Made in Press Release to Show Principal Changes

SPRINGFIELD, ILL., Feb. 17.—The proposed Illinois insurance code was introduced today in the senate by Senator Thomas E. Keane, and in the house by Representative George A. Fitzgerald, chairmen of the respective insurance committees. The code as introduced represents a study of the several hundred separate insurance statutes passed in the 100 years of insurance legislation in the state, of the court decisions under them, and of similar statutes in other states.

A press release on the new code makes many explanations on various points:

The bill has been drawn in plain and understandable language with the subject matter in orderly sequence.

Treatment of Lloyds

The treatment of London Lloyds has been made so simple and understandable that even a layman with no knowledge of law or the insurance business can grasp the situation. The bill imposes upon London Lloyds exactly the same regulations, requirements and restrictions which are imposed upon Lloyds organized under the laws of Illinois or of other states of the United States and the financial requirements are similar to those imposed upon other companies doing the same kind or kinds of business with the people of the state.

Heretofore London Lloyds has asked for special provisions due to the nature of its organization. The bill was drawn to give them no less, or greater, rights or responsibilities than other types of carriers doing the same type of business. In order to secure a change in the code sections governing their operations, London Lloyds must convince the legislature that they are entitled to special treatment and less burdensome financial and other requirements than similar organizations in this country.

Various Details Noted

The minimum capital and surplus requirements of practically all classes of companies have been increased.

A provision limiting life insurance companies to the life insurance and health and accident business has been added, with provision for companies now writing other lines to arrange their affairs.

A new provision will prevent unauthorized and unlicensed companies from establishing a business office in Illinois,

Joint Committee Studies Oil Storage Flood Hazard

THREE GROUPS PARTICIPATE

National Board, Petroleum Industry, Fire Chiefs Map Program at Conference—Mallalieu Presides

A joint committee of representatives of the American Petroleum Institute, International Association of Fire Chiefs and National Board was appointed at a conference held by the National Board to ponder the problem of oil storage in regions subject to flood. The calling of the conference was prompted by the experience at Cincinnati where oil storage tanks of the Standard Oil Company of Ohio were overturned in the flood. Vapor from the contents of these tanks, floating on the flood water, was ignited, causing a million dollar fire.

Problems Are Reversed

W. E. Mallalieu, National Board general manager, presided. He expressed the belief that any safeguards that might be drawn to minimize the hazard should be "tempered with sound judgment and reason." Any requirement for safety should take into consideration those aspects of the problem which relate to the economic features of oil storage and distribution, according to Mr. Mallalieu. Advantage should not be taken of this opportunity, he said, to impose upon the oil industry harsh and arbitrary requirement, "untempered by judgment and reason."

Some engineers believe that the best precaution is to fill the oil storage tanks with water and to locate the tanks downstream from cities. It is not feasible, they believe, to attempt to moor such tanks.

Committee Is Outstanding

The committee selected by General Manager Mallalieu of the National Board is an outstanding one. Representatives of the American Petroleum Institute include D. V. Stroop, its assistant manager; C. E. Townsend, Sun Oil Co.; C. H. Bunn, Jr., Standard Oil Co.; F. A. Epps, Gulf Oil Co., and C. D. Norris, Texas Oil Co. The International Association of Fire Chiefs is represented by its president, R. A. Hogan, Baton Rouge, La.; D. E. Tierney, assistant vice-president, Arlington, Mass.; J. J. McElligott, fire commissioner and chief of New York City; E. J. Houston, Cincinnati, and Fred Shepherd, head office manager of the International association.

The National Board representatives, in addition to H. E. Newell, assistant chief engineer, who will serve as chairman of the committee, include E. J. Smith, Underwriters Laboratories; M. E. Brown, New York department Oil Insurance Association; C. W. Johnson, assistant secretary North America, and J. W. Moffatt, engineer Royal-Liverpool.

and a service of process law will enable patrons of unauthorized companies to secure service.

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Auto Flood Loss Reports Are Slow in Coming Through

ONLY SCATTERED RETURNS

Estimates of Loss Are Being Revised Downward—Block by Block Inspections are Progressing

Reports of losses under the comprehensive automobile policy on account of the recent Ohio river flood are still incomplete and it is difficult to make any good estimate as to the number of cars involved and the probable total cost. Estimates as to the number of cars that were involved, however, are being revised downward. The Western Adjustment has only 50 or 60 loss reports. Most of the automobile loss will be in Louisville and Paducah. Reports to the companies of automobile losses are very scattered. Practically all the companies have had one or two or three losses reported but that is about all.

Apparently owners of cars involved in the flood have had more important things to do so far than to make reports of losses. Some owners have not been able to locate their cars.

The block by block inspections of dwellings and mercantile risks that were reached by flood water are reported to be progressing rapidly in Indiana, Ohio and Tennessee. The state fire prevention associations are doing the work under the supervision of the inspection bureaus. There have been no reports published and little indication as yet of what conditions are being found.

CINCINNATI PLANS FOR FUTURE

CINCINNATI, Feb. 17.—Flood damage to Cincinnati fire department equipment and buildings is estimated by Fire Chief Houston at \$150,000, including \$33,331 for new underground cables in the fire alarm signal system and the 52 miles of overhead wire which will have to be replaced. At least three fire engine houses will require repair.

Cincinnati is taking steps to insure that in the event of another great flood, her water supply would not be affected. An emergency water pumping plant is proposed that would stand a river stage of 100 feet, city officials preparing plans for a 20,000,000 gallon pumping plant at the California filtration plant instead of a 10,000,000 gallon pump sought in a

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Date Has Been Set for General Agents' Meeting

While it was originally planned to hold the annual meeting of the American Association of Insurance General Agents in Denver in June, conflicting dates of other meetings have made it expedient for it to change the time to the last week in May. The convention date, therefore, is set for May 24-26, with headquarters at the Cosmopolitan Hotel in Denver. W. L. Braerton of Denver is president of the organization and Herbert Cobb Stebbins of the same city is secretary and treasurer.

Big Turnout for Pittsburgh Day

Overflow Crowd at Luncheon Hears Stone on Compulsory Cover

BANQUET IS BRILLIANT

Commissioner Hunt Tells of Project to Recodify Pennsylvania Insurance Laws—W. B. Pitkin Speaks

By LEVERING CARTWRIGHT

Another worth while and brilliant observance of Pittsburgh Insurance Day took place in that city Monday.

The formal features of the day consisted of an overflow luncheon meeting, about 600 attending, with E. C. Stone, U. S. general manager and attorney of the Employers Liability, presenting an annihilating—at least to an insurance audience—criticism of compulsory automobile liability insurance legislation, and a banquet with Commissioner Hunt of Pennsylvania and Walter B. Pitkin of Columbia University, author of "Life Begins at Forty," as the speakers. However, throughout the day and following the banquet, the dozens of head office executives and hundreds of Pittsburgh insurance people made the most of the occasion in social gatherings.

Compulsory Law Interest

The Pennsylvania agents and casualty company men have more than an academic interest in compulsory automobile insurance today because one bill of this type has already been introduced in the legislature of that state and another, backed by John Kelly, secretary of revenue, will soon be introduced, perhaps as an administration measure. Casualty company representatives had a conference with Mr. Kelly the other day and he could not be dissuaded in his purpose. The bill he favors provides that liability insurance be purchased as a prerequisite to registration of the car. It gives the insurance companies the privilege of picking and choosing their risks and sets up a state fund to insure risks that are unable to get private insurance.

Accordingly, Mr. Stone's address was intently followed and the speaker remarked upon the attentiveness of his audience. Commissioner Hunt was seated at the head table and those in the audience were hoping that he had been captured by Mr. Stone's argument. Mr. Stone had just received a telegram to the effect that the master who has been pondering the controversy between the companies and Commissioner De Celles of Massachusetts over the 1937 auto liability rate scale, had presented a report favorable to the companies in all respects. Mr. Stone made the announcement during the course of his speech and it was greeted with enthusiastic applause.

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Finlayson Tells Canadian Rankin-Benedict Problem

DEPOSIT IS NOT EARMARKED

Dominion Superintendent Sends Out Memorandum on Manufacturing Lumbermen's Underwriters Situation

MONTREAL, Feb. 17.—Superintendent Finlayson of the Dominion department has prepared a memorandum for the information of those who had insurance in the Manufacturing Lumbermen's Underwriters of Kansas City, the Rankin-Benedict reciprocal now in receivership.

The department indicates that there is some connection between the demise of Manufacturing Lumbermen's Underwriters and the activity of Levis Quebec Underwriters. The latter is a reciprocal that was organized in February, 1936. It commenced active operations only on the development of difficulties in Manufacturing Lumbermen's Underwriters, according to Mr. Finlayson. A former representative of the Manufacturing Lumbermen's Underwriters in Quebec has been offering policies of the Levis Quebec Underwriters to Manufacturing Lumbermen's assured.

Mr. Finlayson stated he had asked for a copy of the financial statement of Levis Quebec, but this has not been received. Inasmuch as the Quebec laws provide for no supervision of reciprocals, he states, it is necessary for the public to satisfy itself as to the security afforded by their policy.

Manufacturing Lumbermen's Underwriters, upon becoming licensed in Canada in 1918, made a deposit on the terms then required of all foreign insurers, that is, for the exclusive protection of Canadian policyholders. For about 10 years it continued to maintain the deposit on those terms. In 1927 it asserted its inability to maintain a Canadian deposit on those terms and failed to file its annual statement as of Dec. 31, 1927. Accordingly, its license was not renewed in 1928 and it failed to take the necessary steps to get release of its deposit. That fund remained in the hands of the receiver general.

Exception Was Granted

In the revision of the Canadian laws in 1932, provision was made that the deposit of a purely mutual fire or reciprocal exchange should continue "to form a part of the general assets of the company or exchange, available *pari passu* to all its policyholders or subscribers in or out of Canada in the same manner as its other funds." Any such concern to which this provision applied had to print in red ink on its policies issued in Canada a notice to the effect that its deposit was made on "these unusual terms." It was permitted to contract itself out of those provisions by filing a declaration that the assets in Canada are held for the protection of Canadian policyholders exclusively. All of the mutual companies and most of the reciprocals filed such a declaration. Manufacturing Lumbermen's Underwriters and a few others refused to do so.

Correction Was Forced

In 1934 the section was amended by repealing the requirements that a notice of the deposit should be printed on Canadian policies. "This latter amendment," according to Mr. Finlayson, "may explain the fact made evident by a large volume of correspondence now reaching the department, that policyholders of Manufacturing Lumbermen's Underwriters in Canada are unaware that the Canadian deposit is not available for their protection exclusively as in the case of other classes of insurers."

About a year ago the department discovered that Manufacturing Lumbermen's was issuing policies in Canada to persons who had not executed the power

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Wig Gone With the Wind, Bald Truth Is Exposed

OMAHA, Feb. 17.—Frank T. B. Martin of the Martin Brothers agency, who has just returned after an extended eastern trip, gave a new interpretation of "Gone with the Wind," popular best seller, before the Omaha chamber of commerce insurance executive committee.

Scheduled in advance notices to review the book at the meeting, Mr. Martin explained what the title meant to him. "The Martin family, on the male side at least, has been noted for its baldness," he said, pointing to his own shining pate. "In addition I suffer from head colds."

"I was told a toupee would cure the head colds in addition to covering my bald spot, so I bought one." It was a windy Sunday morning in March, Mr. Martin reminisced, when he was waiting for a street car in front of the city hall. A gust of wind whipped off his hat and as he stopped to retrieve it, off went the toupee. And that's what he means, says Mr. Martin, by "Gone with the Wind."

Retaliation Between Iowa, Illinois in Licensing Ended

Agreement has been reached between Director Palmer of Illinois and Commissioner Murphy of Iowa, effective March 1, under which the disparity in department practices relating to licensing non-residents is to be eliminated. Heretofore due to the fact Iowa has had no provisions for licensing non-resident brokers, Iowa residents seeking non-resident brokers' licenses in Illinois were penalized under the retaliatory act.

Beginning March 1, the Illinois department will issue to Iowa residents, non-resident brokers' licenses giving full authority to solicit all types of insurance in the state, the only restriction being that policies or applications must be countersigned by Illinois licensed resident agents of the company in which the business is being placed. The fee will be \$10, the same as for non-resident brokers' licenses for persons of other states where there is no differential.

In return Iowa will issue to Illinois residents non-resident agents' licenses for all types of insurance permitted in Iowa, also to require countersignature

Riot Coverage Profitable Despite Sitdown Strikes

VERY LITTLE DAMAGE CAUSED

Demand for Protection Was Much Less Than Anticipated—Experience of 1919 Is Cited

NEW YORK, Feb. 17.—Settlement of the sitdown strike in plants of General Motors in various sections of the east and central west, eliminates an influence which company men anticipated at the start of the trouble would induce widespread demand for riot and civil commotion coverage, and yet which signally failed to materialize. In the minds of insurance men lack of call for the protection in question arose through absence of any serious damage to property by the strikers or their sympathizers.

Despite its seeming hazard, riot and civil commotion has proven a profitable line of coverage for companies writing it, though volume of premiums is not large. In 1919, when the country was enjoying a period of unusual industrial activity, and the average wage for the unskilled worker at least was higher than it had ever been before or since, there was a wave of labor unrest and strikes and threats were in the air. Some of the leading fire company officials felt prospect of serious trouble was greatly exaggerated and writing of riot and civil commotion under the circumstances was a safe proposition.

To justify the belief, one of the major group offices wired all agents throughout the threatened area actively to solicit the business, offering to take an individual line up to a million dollars upon any plant. It further made an exchange arrangement for the business with a number of its foremost competitors. The net result, so far as the group in question was concerned, was premium income of close to \$350,000; while losses did not aggregate \$2,500.

the same as under the Illinois law. The fee will be \$10.

R. E. Smith, 61, resident of Beaumont, Texas, where he has been engaged in the local agency work since 1906, died Feb. 4 from a paralytic stroke.

Plans Are Made for Annual Commissioners Conclave

SET DATES FOR JUNE 21-23

Philadelphia Leaders in the Business Meet with Hunt of Pennsylvania to Lay Groundwork

PHILADELPHIA, Feb. 17.—More than 100 leaders, members of the insurance fraternity of Philadelphia, including several company presidents, met Commissioner Hunt at a dinner to lay ground work for the program of the annual convention of the National Association of Insurance Commissioners.

Dr. John A. Stevenson, executive vice-president of the Penn Mutual Life, was chosen general chairman of the general convention committee. Commissioner Hunt announced after conferring with Superintendent Pink of New York and Deputy Commissioner Gough of New Jersey convention dates had been set for June 21-23 at the Bellevue-Stratford Hotel in Philadelphia.

Speakers at Dinner

W. L. Talbot, president Fidelity Mutual Life, in his declaration of support, stated he was in entire sympathy with supervision, and that the higher type of supervision was one of the greatest things that insurance can have, particularly when it was designed for the benefit of the policyholder. Among others who spoke were O. E. Lane, president Fire Association, and E. B. Creighton, president Eureka Casualty. S. J. Carr, resident vice-president of the Standard Accident acted as chairman. Those seated at the head table were John Glendening, secretary Franklin Fire; Justin Peters, president Pennsylvania Lumbermen's Mutual Fire; Clifton Maloney, president Philadelphia Life; Harold Evans, president American Casualty; S. H. Schoch, secretary North America; Mr. Creighton; Leonard Ashton, vice-president Provident Mutual Life; Deputy Commissioner E. S. Joseph; J. A. Stevenson, vice-president Penn Mutual; S. J. Carr, vice-president Standard Accident; Commissioner Hunt, Mr. Talbot, J. P. Rodgers, vice-president State of Pennsylvania; R. R. Dearden, "United States Review"; Elmer Deaver, president Progressive Life, Health & Accident; J. V. Herd, vice-president Fire Association; T. M. Patterson, secretary Pennsylvania Fire; A. H. Reeve, resident manager Travelers; J. W. Donahue, vice-president Maryland Casualty, and Mr. Lane.

More Than 300 Expected to Attend Dinner for Wilson

Upward of 300 are expected to attend the testimonial dinner which the Virginia Association of Insurance Agents in cooperation with the Stock Fire Insurance Field Club of Virginia will give W. Owen Wilson, president National Association of Insurance Agents, in Richmond Feb. 26. Among those who have accepted invitations are Harold Warner and H. T. Cartledge, United States manager and United States assistant manager Royal-Liverpool group; H. G. Casper, United States manager, Eagle Star & British Dominions; E. W. Nourse, United States manager, London Assurance. Corroon & Reynolds have made reservations for a party of 14, and the North British & Mercantile, for 10. W. L. Braerton, Denver, president American Association of Insurance General Agents, will represent that organization. Arrangements for the dinner are being made by a committee consisting of D. C. Hancock, B. P. Carter, and L. E. English.

Mr. Hancock emphasized that while invitations have been sent to chief executives of companies, bureaus and associations, they are not limited to these officials, but any representative of the organization is included.

THE WEEK IN INSURANCE

Pittsburgh Insurance Day was observed Monday with a program of speeches and social events. **Page 3**

Illinois insurance code is introduced in both houses of legislature. **Page 3**

Joint committee American Petroleum Institute, International Association of Fire Chiefs and National Board study oil storage flood hazards. **Page 3**

Companies interested in the Hiram Walker distillery loss at Peoria, Ill., agree to pay \$1,810,070 judgment without interest. **Page 5**

Michigan Association of Insurance Agents holds mid-year meeting and discusses drive for farm business and agents' qualification law. **Page 5**

Date for the annual convention of the National Association of Insurance Commissioners, to be held at the Bellevue Stratford Hotel in Philadelphia, has been set for June 21-23. **Page 4**

Opposition to unfair tax on insurance pushed by U. S. Chamber of Commerce; fears attempts to impose additional taxes this year. **Page 6**

Anticipated demand for riot and civil commotion covers during sitdown strikes failed to materialize. **Page 4**

Superintendent Finlayson of Canadian department prepares a memorandum discussing the plight of those in Canada that were insured with Manufacturing Lumbermen's Underwriters. **Page 4**

January fire losses show a reduction from those of the same month last year. **Page 20**

Fire and casualty underwriters to watch trailer situation closely as popularity of auto-homes increases. **Page 16**

President Bulkley of the Springfield Fire & Marine comments on the operations of the year. **Page 8**

Paul Rutherford, vice-president and general manager Hartford Accident & Indemnity, is elected president. **Page 37**

Massachusetts compulsory liability "medicine" is bitter dose, E. C. Stone, U. S. general manager Employers group, tells Insurance Club of Pittsburgh. **Page 37**

R. Leighton Foster, formerly Ontario insurance superintendent, speaks in Toronto on automobile insurance. **Page 37**

Surety companies are recouping losses on depository bonds. **Page 42**

The Compensation Insurance Rating Board has submitted to the New York department a retrospective rating plan for workmen's compensation insurance. **Page 45**

Sixty-three casualty companies have agreed on an assigned risk plan for writing occupational disease risks in Illinois. **Page 38**

The proposed \$1,000 automobile liability policy suggested by some of the National Bureau companies is still in the proposal stage. **Page 38**

Michigan Agents in Mid-Year Meet

Farm Business Drive and Qualification Law Campaign Feature Convention Agenda

RECORD IN ATTENDANCE

Members Make Checkup on Business Development Program Status; Michigan Field Club Also Meets

LANSING, Feb. 17.—A drive for farm business for stock companies and a legitimate effort to obtain an adequate agents qualification law were launched at the mid-year meeting of the Michigan Association of Insurance Agents, preceded by committee sessions. It drew the largest attendance, approximately 300, ever recorded at the winter event which is annually held here.

Exceptional interest had been aroused by a four-months' series of regional meetings in all parts of the state at which the business development theme had been stressed. Ending of the General Motors strike which had greatly

(CONTINUED ON PAGE 51)

Massachusetts Society's Big Party of Year Held

GOVERNOR HURLEY IS GUEST

Travelers Fire Manager Questions Attitude of Insurance on Compulsory Law and on Fire Rates

BOSTON, Feb. 17.—Governor Hurley of Massachusetts was the guest of some 600 members of the Insurance Society of Massachusetts at a banquet. Many prominent insurance executives and state officials were present.

Alexander Ellis of Russell, Fairfield & Ellis, president of the society, was toastmaster, and C. F. J. Harrington of O'Brien, Russell & Co. was chairman of the general committee.

Besides the governor, E. C. Stone, United States manager Employers Liability, spoke in the interests of the casualty companies; C. L. Powers, manager Travelers Fire, for the fire companies, and H. B. Kaltenborn, well known news commentator, discussed current topics.

Legislators Are Guests

Members of the insurance committee of the Massachusetts legislature were present as guests of O'Brien, Russell & Co.

Mr. Powers contended that destructive radicals are potentially less dangerous than business men of reactionary and die-hard tendencies. Those who obstruct progress, he contended, develop fertile soil for "prejudice and fanaticism." With

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Ski Coverage Now Seen As a Special Problem

Underwriting of skis has been largely an experiment during this season. The North British & Mercantile began writing a few cases in the New York area this winter and the North America followed suit. Any of these contracts that were written were done chiefly as an accommodation to brokers.

The business has been concentrated chiefly in New York, due to the popularity of the "snow trains" to New England, where most of the sport is conducted. The coverage has usually been written as an endorsement to the schedule property floater at a cost of \$1, which is not enough to pay for putting it through the books. Some standard practice may be adopted next year after what little experience has been gained during 1936-37. A pair of skis cost about \$35 and up and they present many problems because of their brittle nature and their methods of transportation. The coverage protects except when the skis are in the assured's residence or when they are loaned to some one.

Are Broken Easily

Skis are easily broken while in use because of the many amateurs now practicing the sport. Although there is not so much danger to the skis or their binding and poles while being carried on a "snow train," the hazard is of course much greater when they are transported in an automobile, because

(CONTINUED ON PAGE 52)

Pay Walker Loss Without Interest

Appeal Will Not Be Taken Against Verdict on Peoria Distillery Warehouse

CLOSE TO A "HUNG" JURY

Nevertheless Chances for New Trial Seemed Remote—Ruling Under Reporting Cover

Companies interested in the Hiram Walker & Sons distillery loss at Peoria, Ill., have agreed to pay the \$1,810,070 judgment without appeal, on a net basis, that is, without interest. The verdict rendered in the federal court at Chicago was for that amount, with 5 percent interest from Nov. 19, 1935. This means that the interest saved by the settlement amounts to a little more than \$110,000.

To the Walker firm this means not only freedom from any chance of reversal of the verdict, but immediate availability of the money instead of waiting until the case went through the

(CONTINUED ON PAGE 52)

GLIMPSES AT RECEPTION DURING PITTSBURGH DAY



Groups snapped at reception preceding banquet during Pittsburgh Insurance Day Monday. (1) Hugh D. Combs, vice-president U. S. F. & G., Spencer Welton, vice-president Massachusetts Bonding, J. F. Matthai, vice-president U. S. F. & G., Jesse Phillips, chairman Great American Indemnity. (2) John M. Thomas, president National Union and Harry Ogden, vice-president Fidelity & Guaranty Fire. (3) J. J. O'Donnell and J. W. Henry, Jr., Pittsburgh agents, and K. F. May, secretary National Union. (4) J. G. Yost, vice-president Fidelity & Deposit, C. H. Bokman, Pittsburgh manager New Amsterdam, and W. H. Bennett, secretary National agents association. (5) Harold Warner, U. S. manager Royal-Liverpool, and Ralph Alexander, Pittsburgh agent. (6) A. W. Pardew, president Pittsburgh Insurance Club, Ralph Alexander, Jesse Phillips, T. P. Lowry and C. J. Flaherty, Pittsburgh agents. (7) C. A. Nottingham, assistant U. S. manager Royal-Liverpool, C. L. Miller, vice-president National Fire, D. N. Iverson, assistant U. S. manager Century. (8) F. W. Sippell, state agent North America and general chairman of Pittsburgh Day, J. W. Henry, Jr., and A. H. Stoff, associate agency manager Ocean Accident. (9) C. J. Flaherty, J. N. Jamison, vice-president Reliance Life, A. W. Pardew. (10) A. C. Supplee, Pittsburgh manager U. S. F. & G., Sam P. Rodgers, vice-president, and Elmer Van Dusen, assistant secretary State of Pa.

U. S. Chamber for Tax Adjustments

Unfairness of States Using Premium Levy for General Purposes Is Noted

UNIFORM BASIS NEEDED

Cost of Insurance Increased \$98,645,000 in 1935—Fear Added Taxes This Year

State premium taxes should be calculated only on a basis that would provide adequate support for state insurance departments and should not be used as a means of securing general revenue, the Chamber of Commerce of the United States holds in a bulletin of its insurance department dated Feb. 18. Uniform principles of taxing insurance should be adopted throughout the states which should exclude all other taxation in the state excepting on tangible property.

Identical taxes should be levied upon state-operated insurance funds in fields where insurance coverage is available from private companies which are taxed. Proceeds of life policies should be more generously exempted from estate and inheritance taxes, and such life insurance as may be earmarked for payment of death taxes should be wholly exempt from such taxes. This in substance is the 1937 insurance tax program of the national chamber.

Great Increase Last Year

"Last year the cost of insurance protection was increased approximately \$98,000,000 by state insurance taxes alone," the bulletin points out. "This figure does not include clerical expenses involved in the tabulation of the statistics nor the preparing of necessary tax reports. Such taxes and expenses must necessarily be included in the cost of insurance. The insurance companies simply act as the tax collectors. The result is that the policyholder pays a

(CONTINUED ON PAGE 28)

Accountants' Unit Hears Discourse on U. & O. Cover

KANSAS CITY, Feb. 17.—The local chapter of the National Association of Cost Accountants at its meeting this week heard a discussion of use and occupancy insurance by Frank L. Erion, well known independent adjuster of Chicago, and W. A. Sullivan of the Loose-Wiles Biscuit Company of Kansas City.

Mr. Erion emphasized it is fully as important to insure the earnings of a business as it is to insure the property in which the business is conducted.

U. & O., he said, will prevent loss of income to owners or stockholders, strengthens the credit position, obviates the necessity of depleting the working capital to pay salaries, taxes, etc.; permits the chief executive to hold his organization together by payment of regular stipend to salaried officers and employees; enables payment of regular dividends to stockholders. Primarily it insures that the prevented production will not cause the annual report to show loss of earnings due to the disaster. This will naturally increase confidence in the management and tend to make its tenure permanent.

The broadest policy is fire plus supplemental contract, he pointed out. The fire policy may also be further extended to cover loss occasioned by fire in premises of others upon whom assured depends for material.

Mr. Erion said manufacturers who have several plants sometimes feel they do not need U. & O. on the theory that if one plant is destroyed they can speed up the others and supply their customers. Mr. Erion contended, however, that the increased expense is great enough to make U. & O. coverage advisable.

In recommending U. & O. coverage to protect against loss occasioned by disaster in the plants of others, Mr. Erion referred to a loss of several thousand dollars suffered by a Chicago concern because of a fire in New Jersey. The Chicago company depended for a certain article upon a factory in New Jersey which was the sole maker of that article. When the New Jersey factory burned, the Chicago concern was forced to suffer a loss in business.

Mr. Erion pointed out that in the ab-

LEGISLATIVE DIGEST

New York—Rossi assembly bill prohibits banks or insurance companies in loaning money on real estate to dictate the placing of insurance with a specific broker.

Illinois—The Loughran senate fire insurance rating bill is almost a word for word copy of the rating law in Mississippi, experts have discovered. The head of the insurance department is referred to in the Illinois bill as "insurance commissioner," although his official designation is "director of insurance." In Mississippi the insurance department head is "insurance commissioner." Observers give this bill little chance for passage.

Carroll senate bill prohibits companies from renewing policies without the consent of the policyholder.

Indiana—It is expected that a bill will be introduced this week to prevent the application of the separation rule in Indiana. A strong bloc is understood to be back of the bill.

Indiana—House bill prohibits requiring borrowers to place insurance with any specified insurance company as one of the conditions toward making a loan. Senate bill permits the filing of a suit against the attorney-in-fact for a reciprocal, binding subscribers automatically without being named individually in the suit.

Massachusetts—Adverse reports adopted on Lynn bills providing uniform commissions for fire and casualty agents throughout the state; deposit of reserves of companies with the state treasurer; and forbidding executives or employees of one insurance company to be associated with any other company.

Texas—House bills 117 and 118, pro-

sense of net profit there might be need of U. & O. insurance. There is U. & O. value if the fixed overhead expenses are being covered in part or in all.

Problems in adjustment of losses are few, Mr. Erion said, if both parties join in proper spirit and work together to find the true amount of loss. The depression, Mr. Erion concluded, portrayed the impossibility of continuous, never ceasing, gain in business but commerce can safeguard itself against loss of its actual earnings through the medium of U. & O. insurance.

viding for legal rebates to assured, were killed in the committee after fire and casualty agents from all sections of the state filed strenuous protests.

Pennsylvania—It is reported that the insurance department is planning a recodification of the insurance laws and that the legislature will be asked to make an appropriation for the work.

Alabama—Chichester bill making it a misdemeanor to circulate derogatory statements as to the solvency of insurance companies has passed the house. Another bill amending Section 8351 of the Alabama code, requiring domestic and foreign insurance companies to keep a \$50,000 deposit with the insurance department has also passed the house.

New Mexico—Agents qualification bill has been amended to eliminate provisions for setting up an enlarged insurance department fund in the hands of the superintendent. Another bill liberalizes the requirements on types of securities necessary to qualify a company for admittance, increases the salary of the insurance superintendent to \$3,000 per year and changes the definition of what companies may do under life, fire and casualty classifications. The superintendent would have the power to approve or disapprove of any securities offered, regardless of whether they are defined in the list of permitted types.

Utah—H.B. 98, sponsored by the insurance commissioner requires agents to meet qualifications prescribed by insurance commission to secure license. S.B. 139 gives the insurance commissioner specific authority and power to reject the schedules and forms of an insurance company applying for a permit to do business in the state. This bill is the outgrowth of the threatened rate-war in which Commissioner Smith laid down certain rules and regulations to eliminate suicidal rate cutting. It is desired to give the commission more definite authority in this connection. Another bill gives mutual fire companies privileges enjoyed by stock companies.

SUPERVISION

Vermont—The model bill of the National Convention of Insurance Commissioners for interstate liquidation of insurance companies has been passed.

New Hampshire—Bill provides for a five year term for insurance commissioner, who is to be appointed by the governor and council and may not be removed except for cause and after hearing. Another bill binds insurance companies to all acts of agents and prevents a domestic company from being dissolved without a certificate from the commissioner to the effect that the dissolution is in the interest of the public.

Nebraska—Bill empowers state insurance director to cancel and refuse renewal of licenses to insurance companies located in states that refuse admission to Nebraska companies.

New Jersey—Van Winkle senate bill requires the establishment of reserves according to experience where there is no statutory reserve basis. The purpose of the measure is to enable the insurance commissioner to use the annual statement developed by the National Association of Insurance Commissioners.

Oklahoma—Gregory house bill extends operating territory of farmers' mutuals from six counties to the entire state.

TAXES

Minnesota—A tax bill drawn by the conservatives would abolish the income tax but would double the present tax on insurance premiums and levy a 2 percent tax on gross income of insurance companies.

Minnesota—Insurance companies won a concession in the state income tax bill now before the legislature when it came before the house tax commit-

(CONTINUED ON PAGE 32)

FIGURES FROM DECEMBER 31, 1936 STATEMENTS

	Assets	Change in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prem.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Agricultural, N. Y.	15,272,140	+1,735,243	5,040,327	+80,066	3,000,000	6,123,209	+1,711,564	5,143,785	2,154,561	41.9
Alliance, Pa.	10,571,555	+899,615	2,298,221	+15,838	1,000,000	6,464,766	+867,630	2,256,140	835,589	37.0
American Central	7,507,313 ¹	+103,410	2,340,822	-4,353	1,000,000	3,792,936	+270,110	2,276,493	862,112	37.8
Atlantic City, N. J.	504,023	+20,809	21,118	-1,472	200,000	281,537	+22,896	23,955	3,495	10.2
Bankers F. & M., Ala.	457,542	+32,626	.....	.....	275,702	100,000	.....	.....	.....	.....
Camden Fire, N. J.	13,047,583 ¹	+1,135,049	4,973,696	+233,073	2,000,000	5,026,400 ¹	+937,044	5,345,970	2,081,576	38.9
Charter Oak, Conn.	1,245,721	+37,742	.....	.....	1,000,000	744,557	+36,778	.....	.....	.....
Citizens, N. J.	3,155,233	+169,042	244,979	-1,766	1,000,000	1,665,323	+163,720	366,992	162,209	44.2
Commercial Union, Eng.	13,341,836 ²	+556,477	4,789,474	+52,757	400,000	6,769,904	+549,965	5,869,185	2,116,135	36.0
Commercial Union, N. Y.	3,244,058 ²	+89,253	910,529	-2,056	1,000,000	1,178,277	+115,892	882,781	334,341	37.8
Dubuque F. & M., Ia.	5,613,023	+478,875	2,432,488	+26,098	1,000,000	1,524,572	+338,196	2,291,774	941,513	41.0
East & West	3,527,138	+384,966	483,364	+30,233	1,000,000	1,827,254	+301,916	490,060	165,188	33.6
Empire State, N. Y.	3,463,840	+281,319	621,989	+48,767	1,000,000	1,733,900	+198,864	584,003	206,147	35.3
Equitable, S. C.	1,316,297	+137,361	219,060	+23,129	300,000	623,712	+45,412	253,466	74,436	29.2
Granite State	4,354,736	+274,749	1,247,996	-2,879	1,000,000	1,936,623	+266,248	1,095,577	492,703	44.9
Hartford Fire	101,999,689	+7,674,073	31,155,533	-296,823	12,000,000	49,476,073	+8,022,751	32,980,661	14,247,216	42.9
Inter-Ocean Reins., Ia.	5,649,286 ⁴	+671,303	2,613,537	+29,381	500,000	1,759,094 ⁴	+274,295	2,593,020	877,950	33.8
Michigan F. & M.	4,134,614	+271,591	1,331,905	+29,381	1,000,000	1,456,688	+231,696	1,365,381	545,935	40.0
National American, Neb.	2,094,156	+149,255	630,973	+144,368	1,000,000	341,727	-22,956	823,041	376,196	45.7
National Reserve, Ia.	2,499,430	+297,661	1,020,905	+23,018	500,000 ⁵	629,293	-68,125 ⁵	926,205	387,122	41.8
National Security, Neb.	2,803,389	+196,432	383,634	+5,773	1,000,000	1,246,994	+196,359	442,855	165,729	37.4
New England, Mass.	1,542,769	+168,653	331,227	+8,033	400,000	718,087	+159,610	337,928	134,453	39.7
North America	109,301,865	+12,539,684	20,958,846	+167,176	12,000,000	65,872,181	+11,889,505	22,371,407	8,344,884	37.3
Northwestern Natl., Wis.	15,573,362	+459,910	5,132,465	+81,263	2,000,000	5,402,376	+423,232	4,202,975	1,432,847	33.6
Philadelphia F. & M., Pa.	6,510,743	+637,872	1,251,153	+46,608	1,000,000	3,792,224	+636,244	1,264,550	468,627	37.1
Security of Conn.	11,863,175	+1,024,315	3,904,700	+130,836	2,000,000	4,550,974	+599,644	4,024,647	1,694,451	42.3
Selected Risks, N. J.	282,131	+22,079	17,122	+4,787	150,000	108,946	+16,749	34,137	6,678	19.5
William Penn	459,417	+15,721	77,138	-3,693	200,000	176,991 ⁶	+17,157	40,358	5,550	13.0

¹Reinsured.

²Market values on bonds and stocks would increase admitted assets to \$13,357,783 and surplus to \$5,336,600.

³Reinsured in Travelers Fire.

⁴Excludes voluntary reserve of \$150,000.

⁵Market values would increase assets to \$5,690,976, surplus to \$1,800,784.

⁶\$250,000 of surplus transferred to capital.

⁷Includes \$56,500 special reserves.

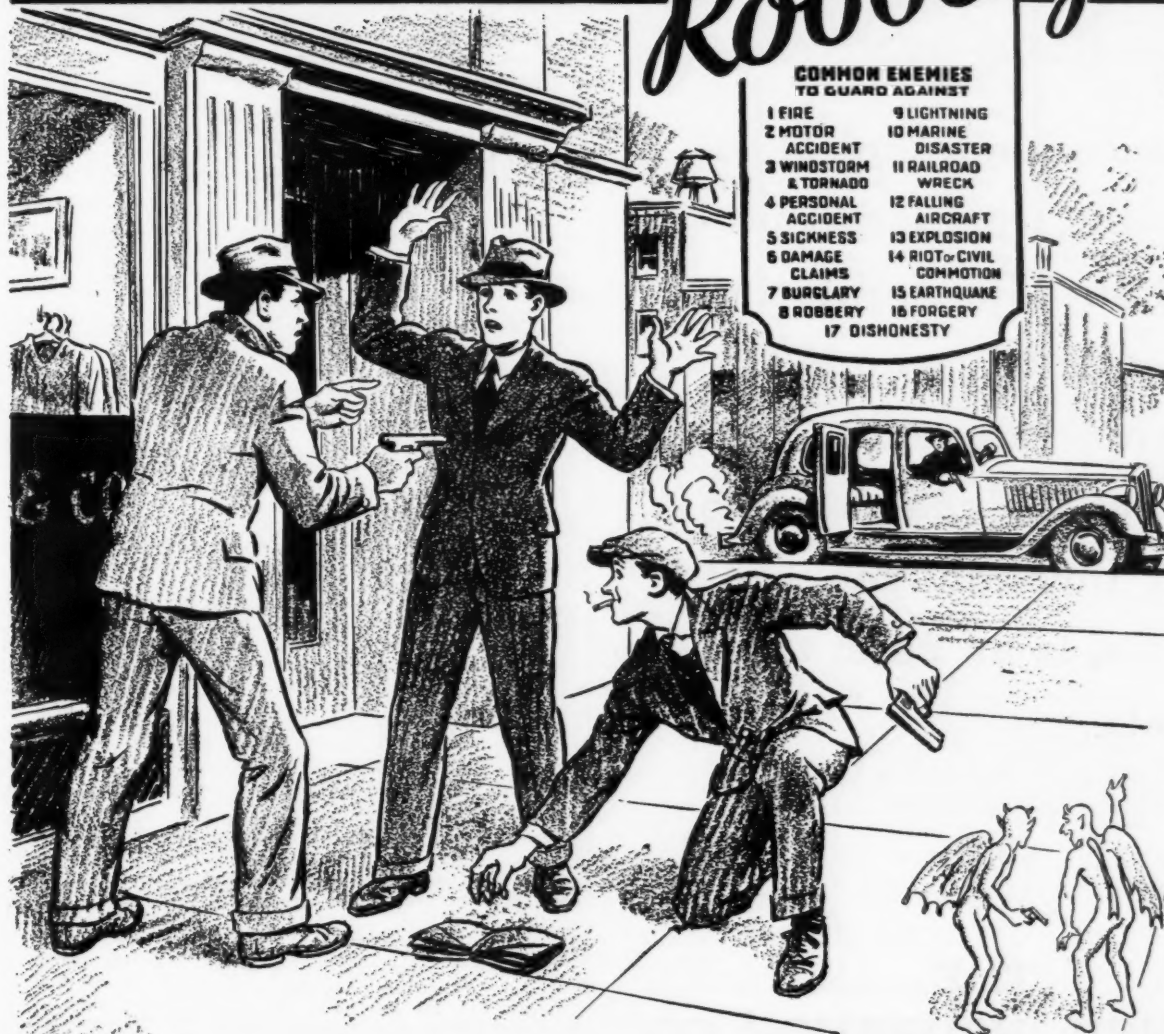
⁸On basis of market quotations for bonds and stocks, assets would be increased to \$7,934,797, and surplus to policyholders to \$5,220,431.

⁹On basis of market quotations for bonds and stocks, assets would be increased to \$13,865,348 and surplus to policyholders to \$7,693,416.

¹⁰On basis of market quotations for bonds and stocks, assets would be increased to \$3,382,846 and surplus to policyholders to \$2,317,064.

PUBLIC ENEMY

No 8 Robbery



COMMON ENEMIES TO GUARD AGAINST

- | | |
|-------------|------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR | 10 MARINE |
| ACCIDENT | DISASTER |
| 3 WINDSTORM | 11 RAILROAD |
| & TORNADO | WRECK |
| 4 PERSONAL | 12 FALLING |
| ACCIDENT | AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE | 14 RIOT or CIVIL |
| CLAIMS | COMMOION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |

Robbers have victimized the thrifty since history began, and NO DAY PASSES without its record of brutal holdups often ending in tragedy.

Despite police vigilance and all the safeguards society has devised, the GUNMAN lurks close by—ready to strike in the most unexpected places.

Forewarned by experience, the prudent man arms with INSURANCE, the only sure way to recoup financial loss from burglary, theft or ROBBERY.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

WESTERN DEPARTMENT
844 RUSH STREET, CHICAGO, ILLINOIS

CANADIAN DEPARTMENT
461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1856
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

PACIFIC DEPARTMENT
220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.
912 COMMERCE STREET, DALLAS, TEXAS

"Put your Reliance on Alliance" is good advice

Alliance Insurance is dependable, trustworthy protection. The reputation for stability, which The Alliance Insurance Company of Philadelphia has built through years of service, is an asset to its Agents.

THE ALLIANCE INSURANCE CO. of PHILADELPHIA



Head Office: 1600 Arch St., Philadelphia
Chicago Office: 209 West Jackson Boulevard
San Francisco Office: 231 Sansome Street

Salvage Company Reflects Increase in Fire Losses

CHICAGO INSTITUTION BUSY

Six-Story Building Filled to Capacity
and Outside Storage Space is
Now Being Utilized

One institution that is grateful for the increase in fire losses is the Underwriters Salvage Company of Chicago. This institution had a slim time of it during the years when the fire losses were abnormally low. The situation was discouraging to the management, which, of course, was unable to engage in any promotional work to increase its business.

In the last three or four months, however, the Underwriters Salvage Company of Chicago has taken a new lease of life. Currently its six-story building is filled to capacity and outside warehouse space is being utilized. Among the merchandise on hand is the biggest retail shoe stock ever handled by the salvage company. This is the stock of Lustig's of Youngstown, O. Its original sound value was \$118,000. Then there are 15,000 bales of binder twine in the house and 5,000 bales in outside rented space. This twine, imported from Belgium, was damaged in a fire in the Anchor Storage Warehouse at Chicago a few weeks ago.

Incidentally, W. F. Forbush, the manager, states that the salvaging method required for binder twine can only be employed in a mill constructed building of the type which the Chicago salvage company occupies. When the plans for the building were being discussed, some of the company people advocated the erection of a steel concrete building. Mr. Forbush, however, said that salvaging operations being of an emergency nature, wood parts were needed, in which to drive nails. It was found necessary, in order to dry this binder twine, to suspend the individual spools from the beams. On several floors at present thousands of spools of the twine are hanging from the beams.

It is a coincidence that a week or so after the salvage company found the binder twine at Chicago on its hands, it was notified of another loss in Duluth of 3,500 bales of such twine, the damage having been caused by sprinkler leakage.

Gets Better Prices

The salvage company is getting better prices for its stocks, according to Mr. Forbush, and the merchants are eager for merchandise. He said that the salvage company could dispose of many more times the amount of binder twine that it has on hand. Many orders are coming in for 1,000 and 500 bale lots. A two-day sale was held just recently and there was an unusually good attendance of out of town merchants. The prices were strong.

Not all of the salvage company's work is conducted at the Chicago plant. Frequently damaged stock will be disposed of without moving it to Chicago. Recently there was a bad loss to news print in the warehouse of the Register-Tribune Company of Des Moines. Representatives of the salvage company did a good piece of work there. Within a period of eight days, 40 carloads of the news print had been delivered to the Pioneer Paper Stock Company, having been weighed, checked out and sold on a dry weight basis in that time.

A few weeks ago, the salvage company had only one man in its Chicago plant. All of the other checkers and packers were out of the city on losses. It has been many years since such a situation has occurred. This indicates to Mr. Forbush that there are more fires these days, as well as more values involved when a fire does occur.

The salvage company is a service institution that is a credit to the business.

President Bulkley Speaks About the Year's Operation

AVERAGE RATE DESCENDING

Tells of Some of the Contributions
Stock Companies Are Making
to the Public

For many years the president of the Springfield F. & M. has made some comment in presenting his annual financial report dealing with the insurance business as a whole. President G. G. Bulkley in his comment says the past year was a normal one for fire insurance. The increased cost of commodities and building material as well as wages are factors which have a bearing on fire losses and this is evident, Mr. Bulkley says, in the 1936 experience. The premium dollar will not purchase today as much labor and material as a year ago.

1935 Experience Used as Target

The burning ratio continued abnormally low. The 1935 experience, he says, has been used as a target by state authorities and others in demand for rate reductions. He asserts that rates are continually being reduced in an orderly way. Flat general reductions gauged by one year's experience in any one state or locality are not justifiable, he opined, and do not operate for the general good of the insuring public nor the companies. The average rate has been reduced from 87 cents in 1925 to 71 cents in 1935. Policy contracts have been broadened and companies are assuming at nominal cost many hazards heretofore available only under specific contracts at higher rates.

Work of Stock Companies

President Bulkley says that the stock companies direct their operations in a way that will benefit the public as well as the business. They assume the responsibility with very little aid of other classes of carriers in the costly work of scientific rate making. The work is not wholly altruistic but he feels that stock fire insurance should be given credit for it and for the many activities which are wholly beneficial to the public.

He refers to the work of the stock companies as follows:

"These activities conducted and paid for by stock fire insurance, and which have to do with safeguarding properties and lives against fire, include engineering service and the inspection of individual risks, the surveying and grading of cities and towns, cooperating through engineering service in planning for water works and fire fighting facilities, the wide distribution of literature telling how to reduce fire waste, the furnishing of building codes, testing of materials and devices in our laboratories for the purpose of minimizing fire hazards, the investigation with local authorities of fires of suspicious origin with a view to minimizing arson activities and the furnishing of free inspection service to hospitals, schools and public institutions. All of these and other services are performed with direct benefit to the public without cost to it."

WANTED

Want to purchase an interest in a solvent local agency located in a medium sized town with quiet living conditions. Have Home Office, Rating Bureau, Local Agency and State Agency experience.

ADDRESS F-28, NATIONAL UNDERWRITER

WANTED

Aggressive capable fire field man with a good knowledge of automobile and marine desires connection. Correspondence strictly confidential. References.

ADDRESS D-29, NATIONAL UNDERWRITER

DO YOU WEAR EAR MUFFS?

When new ideas are presented to you — "Are you listenin'" or are your ears shut?

If you are not selling U. & O., Rents, General Cover contracts and the many other modern coverages which assureds need — you'd better take off the ear muffs and put your ear to the ground.

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

National Union Wins Tilt With Tokio on Reinsurance

EARTHQUAKE LOSS AT ISSUE

Terms of Binder and of Form Differed
—Pittsburgh Company Escapes
\$187,000 Payment

On the decision of the United States district court for the southern district of New York, the National Union has been absolved of liability on account of earthquake loss under a reinsurance agreement which provided excess coverage over the policy of the Tokio M. & F. on the S. H. Kress California properties. Tokio sought to recover \$187,500 from National Union. The loss was suffered in the earthquake of March 10, 1933. Fifteen Kress buildings were damaged to a total extent of \$287,500.

Tokio sought to have the reinsurance contract construed as excess of \$100,000 in any one catastrophe whereas National Union contended the reinsurance was for excess of \$100,000 loss to any one building. There was no Kress building that suffered a loss in excess of \$100,000.

Johnson & Higgins Acted

In 1932 Johnson & Higgins applied to National Union for excess reinsurance in behalf of Tokio. The application was in the shape of a binder. It was accepted by National Union. It provided that National Union reinsure Tokio on Kress insurance to the amount of \$1,000,000 covering buildings, furniture, fixtures and merchandise, at a premium of \$5,000, for one year, covering the risk of earthquake and other specified hazards. The binder provided that the limit of liability was \$100,000 by any one loss in any one building and contents and contained this clause: "To pay

(CONTINUED ON PAGE 33)

What's in a Name? Ask Max Wasson of Spokane

Max H. Wasson, independent adjuster of Spokane, Wash., on Jan. 20 must have been extremely careless in avoiding black cats, ladders and broken mirrors. For since then he has been busy extricating himself from embarrassing situations caused by the theft of his wallet from his room in a Seattle hotel.

Some time during that night some one entered the room, taking the bill fold, money and identification cards. A few days after Mr. Wasson returned to Spokane he began to receive protest notices on checks, purportedly signed by him and passed in Portland, San Francisco and Los Angeles. However, this was not all.

A man registered at a Los Angeles hotel Jan. 28 as Max H. Wasson of Spokane, checking out a day later. Los Angeles police arrested him on Jan. 30 and he again gave his name as Max H. Wasson, and Los Angeles and San Francisco newspapers published a story saying that Mr. Wasson of Spokane had been arrested on a charge of forgery. A checkup with Spokane police established that he was in the city Jan. 30 and could not very well have been in jail in Los Angeles.

Unless the booty from his wallet was divided among several thieves, Mr. Wasson now believes his identification troubles are over.

Worst Series of Crashes

The United States Aviation Underwriters was the insurer of the United Airlines plane that crashed in San Francisco Bay, with a loss of 11 lives. This is the second of the recent series of airline crashes in which U. S. Aviation Underwriters has been interested. They had the plane of the United Airlines that crashed late in December near Burbank, Cal., with a loss of 12 lives.

This series of crashes of transport planes is the worst in the history of the industry.

The first occurred Dec. 15 and there have been six such crashes in less than two months. In all but one, there was loss of life. That was the Eastern Airline plane that crashed near its destination in Newark.

Aetna Fire Conference

HARTFORD, Feb. 17.—The annual managers' conference of the Aetna Fire group is being held this week with President W. R. McCain in charge. The discussions will continue until tomorrow, followed by a dinner at the Hartford Club at which directors, officers and managers will be present.

The managers who are in attendance are Vice-president J. W. Russell of the New York branch; W. N. Achenbach, manager of the western department branch at Chicago, and R. H. Learn, assistant manager; H. F. Mills, manager of the Pacific department in San Francisco; Secretary P. W. D. Jones, manager of the North Carolina department, and R. H. Leckey, Canadian manager at Toronto.

R. G. Turner Is Advanced

R. G. Turner has been appointed agency superintendent in the Atlanta department of the America Fore. He joined the Fidelity-Phenix in 1919 as inspector and later became special agent in Georgia, the position which he has held until the present. He is succeeded in Georgia by T. E. Shutze, who since 1926 has been an examiner for the America Fore in the Atlanta office. He has been in the insurance business since 1912, starting with the Fire Association at Atlanta, later going with the North America and then with the America Fore.

The city council of Worcester, Mass., rejected a proposed fireworks ordinance which was sponsored by the fire prevention committee of the safety council.

Officials Again Confer in Chicago on St. Louis Issue

Another series of meetings of company officials in connection with the St. Louis situation was held in Chicago this week, beginning Tuesday. The first of the meetings was held late last year before Manager C. F. Thomas of the Western Underwriters Association went on his vacation. This is the first such meeting since his return. The plan is to hold separate meetings in connection with each agency, those participating being the executives of the companies represented in the agency. There will be other meetings in the future. This is in connection with an attempt to stabilize conditions in St. Louis and induce the companies to come to some sort of agreement that will put an end to the payment of excess commission and the granting of other perquisites. There are so many divergent opinions being expressed and so many divergent interests involved that it will be difficult to harmonize the differences. A good many head office officials of companies that don't have western departments were in Chicago for the conferences this week.

To Be Paul Revere Fire

Directors of the Harmonia Fire of Buffalo, one of the Home group, recommend and stockholders will decide at their meeting March 5 on changing the title of the company to the Paul Revere Fire. Control of the Harmonia was secured by the Home in 1924. Its capital is \$1,000,000.

St. Louis F. & M. Adds Ballast

Through the sale of additional stock, the capital of the St. Louis Fire & Marine was increased by some \$50,000 and its surplus \$60,000. The premiums last year amounted to \$850,000.

INTER-OCEAN REINSURANCE COMPANY

HOME OFFICE: CEDAR RAPIDS, IOWA

CONDITION DECEMBER 31, 1936

ASSETS		LIABILITIES	
Cash in banks	\$ 358,721.48	Unearned premiums	\$2,613,536.77
U. S. Government bonds (amortized value December 31)	2,188,240.45	Reserve for losses	344,919.86
All other bonds (amortized value December 31)	612,632.34	Reserve for taxes	78,987.84
Stocks (market value December 31)	1,605,625.00	Funds held for treaties	112,328.45
First mortgage loans	131,310.00	All other liabilities	90,418.58
Home office building	95,898.76	Voluntary reserve	150,000.00
All other real estate	123,850.00	Capital	\$ 500,000.00
Collateral loans	18,636.22	Surplus	1,759,094.01
Accrued interest	31,521.11		
Due from insurance companies	482,650.15	Treatyholders surplus	2,259,094.01
Admitted Assets	\$5,649,285.51		\$5,649,285.51

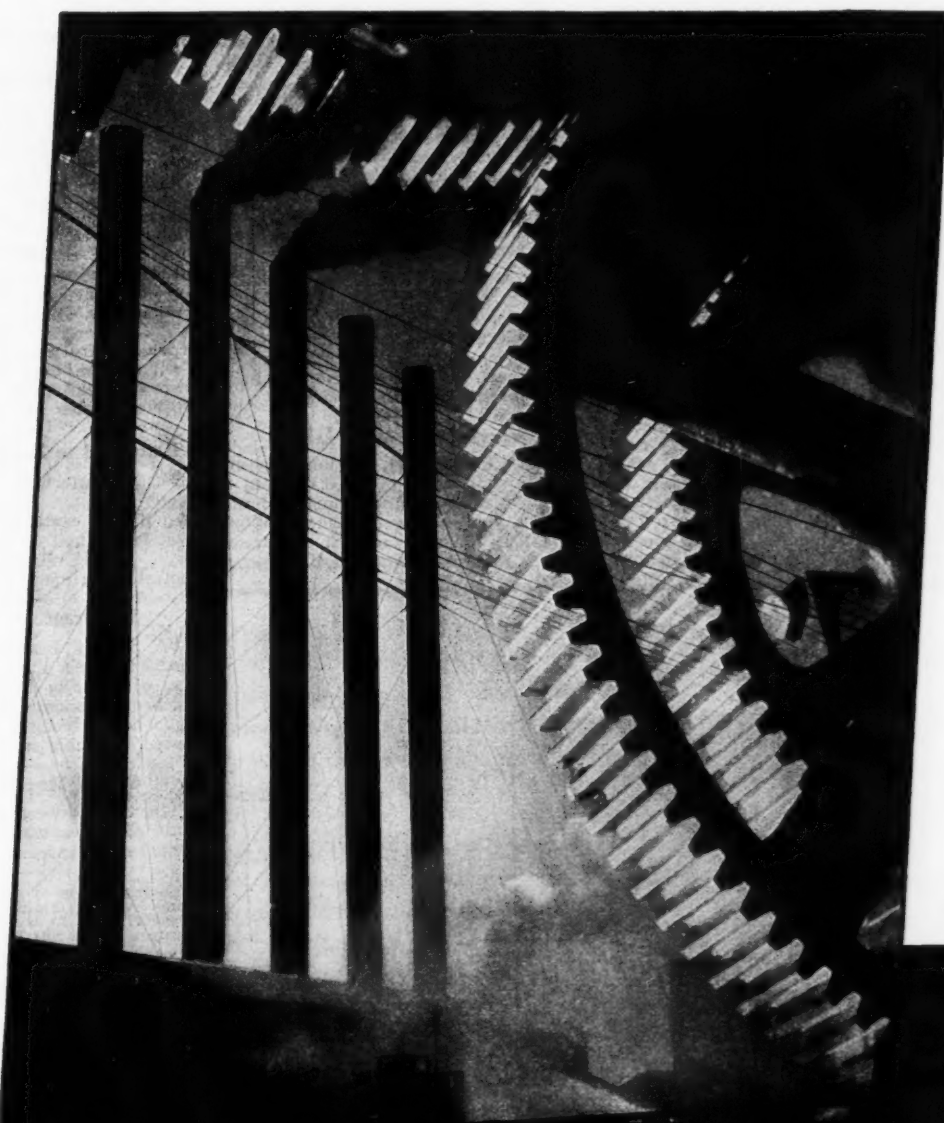
Note: The amortized and market values used in this statement are on the basis prescribed by the National Convention of Insurance Commissioners. On an actual market value basis the total admitted assets would be increased to \$5,690,975.68 and the net surplus to \$1,800,784.18.

REINSURANCE—FIRE AND ALLIED LINES

New York
90 John Street

San Francisco
114 Sansome St.

Los Angeles
215 West 7th St.



THE WHEELS OF INDUSTRY ARE THE WHEELS OF CHANCE

AMERICAN & FOREIGN
INSURANCE COMPANY
BRITISH & FOREIGN
MARINE INSURANCE CO., LTD.
CAPITAL FIRE INSURANCE CO.
OF CALIFORNIA
FEDERAL UNION INSURANCE CO.
THE LIVERPOOL & LONDON
& GLOBE INSURANCE CO. LTD.
THE NEWARK FIRE INSURANCE CO.
QUEEN INSURANCE COMPANY
OF AMERICA
ROYAL INSURANCE CO., LTD.
SEABOARD INSURANCE COMPANY
STAR INSURANCE CO. OF AMERICA
THAMES & MERSEY
MARINE INSURANCE CO., LTD.

Business management that overlooks Use and Occupancy insurance is gambling with a firm's future. » » Earnings are increasing. » » See that your clients are protected against the crushing losses caused by interruption of operations by fire, windstorm, explosion and riot.

Our tested sales plan for the development of U. & O. business, including mailing series and illustrated proposal, will help you. » » Ask our Fieldman or address our Special Service Department today.

For a better understanding of this important coverage, ask for our "Outline of Use and Occupancy Insurance."

ROYAL-LIVERPOOL GROUPS

150 WILLIAM STREET, NEW YORK, N. Y.

NEWS OF FIELD MEN

Record Class Is Initiated

Minnesota Blue Goose Inducts 19 New Members; New M. L. G. Is W. W. Belford

MINNEAPOLIS, Feb. 17.—A record class of 19 goslings was initiated by the Minnesota Blue Goose at a meeting attended by 150 persons. Eighteen members were presented 25-year buttons, Frank Barney, of Barney & Barney, a charter member, making the presentations. George Van Wagenen presided. John McCluer, oldest living member of the Blue Goose, now retired, was a guest. He served 63 years with the St. Paul F. & M. The Western Adjustment was in charge of the initiation.

In 1939 the Minnesota pond will be eligible for an officer in the grand nest and Lewis L. Law was unanimously agreed upon. New officers of the Minnesota pond are: Most loyal gander, W. W. Belford, Rhode Island; supervisor, J. E. Jackson, Weeks & Jackson; custo-

dian, P. A. Enck, of Enck & Linnell; guardian, J. H. Lewis, Jr., St. Paul F. & M.; keeper, R. E. Cropsey, National Fire; wielder, M. B. Ryon, Fire Underwriters Inspection Bureau.

Ohio Mutual Men Organize

Mutual field men in Ohio have organized the Mutual Insurance Field Club of Ohio. Officers have been elected as follows: President, H. M. Hare, Northwestern Mutual Fire; vice president, H. N. Coldwell, Ohio Underwriters; secretary-treasurer, C. O. Garver, Associated Mutual Fire Underwriters; assistant secretary, S. E. Hanawalt, Mill Mutuals. Temporary headquarters are to be 401 Rowlands building, Columbus.

Robert Fuller Honored

A number of field men gave a dinner at Sioux Falls, S. D., last Saturday evening in honor of Robert Fuller, who has been associated with the Home of New York in South Dakota for the last three years. He is being transferred to Columbus, O., where he will be special adjuster for the company. About 20

friends, chiefly special agents, were present. He was given a fountain pen and pencil set. Mr. Fuller left the next day for his new home.

Fire Prevention Meetings

The Missouri Fire Prevention Association will make an inspection of Pleasant Hill next week.

The Minnesota Fire Prevention Association will inspect Mankato and North Mankato, March 2-3.

The Illinois Fire Prevention Association will inspect Jacksonville, March 24. Harry K. Rogers of the Western Actuarial Bureau will address a public meeting and will put on his fire clown act before school children.

L. E. Kietzman to Talk

"Net Earnings Insurance Coverage" will be discussed by L. E. Kietzman, assistant secretary of the American of Newark, at the Albany, N. Y., Field Club's meeting Feb. 26.

Virginia Veteran Dies

A. M. Travers, 71, for many years Virginia state agent of the Liverpool & London & Globe with Richmond headquarters, died in a hospital there following a long illness. He first supervised Virginia for the Commercial Union, con-

necting with that company in 1896. For a time he was with the Richmond local agency of Williamson, Talley & Co. He retired from active work Oct. 1, 1930, and was succeeded as state agent of the L. & L. & G. by W. T. Dent. He was with that company 19 years.

Elmer Porter Makes Change

Elmer Porter, who resigned recently as special agent in western Pennsylvania for the Fidelity & Guaranty Fire, is now with the Fire Companies Adjustment Bureau in Pittsburgh. He is well known in his field.

Scurry Doing Special Work

John B. Scurry, special agent of the General and First National of Seattle, is located in Chicago at 209 West Jackson Boulevard for the time being as a general utility man in the central west. He has been with the General in the office and field having started at the head office a number of years ago.

Butterfield to Northwestern Mutual

M. B. Butterfield, formerly with the Webb-Hamilton Corporation, Lima, O., has become state agent of the Northwestern Mutual Fire, covering western Ohio. H. M. Hare is manager of the central department of the company.

San Francisco Pond Meets

W. Stanley Pearce, advertising manager Fireman's Fund group, was chairman of the San Francisco Blue Goose luncheon, Monday, when Rev. Gail Cleland, noted lecturer and traveler, discussed "Trouble in the Far East."

State's Men in Conference

The central western field men of the State of Pennsylvania are holding their annual conference in Chicago this week.

An inspection of Chickasha, Okla., was made by the Oklahoma Fire Prevention Association. J. B. Taylor, St. Louis, Western Actuarial Bureau, spoke.

North British Changes at the London Head Office

Sir Arthur Worley, deputy chairman and managing director of the North British & Mercantile and chairman and managing director of the Railway Passengers Assurance, Ocean Marine and Fine Art & General, sas for reasons of health resigned as managing director of these companies. He will retain his position as deputy chairman of the North British & Mercantile and the chairmanships of each of the associated companies.

Robert H. Brand has been elected joint deputy chairman of the North British & Mercantile. H. S. Milligan, previously manager, has been appointed its general manager. Thomas Frazer, former secretary, has been appointed deputy general manager and secretary. A. E. Ridoutt, hitherto an assistant secretary, has been appointed joint secretary.

Western Loss Meeting

At the meeting of the Western Loss Association in Chicago this week it was decided to have the committee that has been looking into the supplemental contract investigate it more comprehensively and report as to what position the association should take as to coverages. There is a diversity of opinion as to certain features of the policy and it is felt by the members of the loss association that some of the features should be clarified. It was also decided to have the managers of the adjusting bureaus present at one of the future sessions so that their rules of practice could be discussed with them by the members. A committee was appointed to investigate the practices of public adjusters in Chicago. It was reported that some of these adjusters are getting very obnoxious in their movements.



The New England Village and the Sturdy Oak

The 1937 Ohio Farmers calendar shows a New England village and an old sturdy oak tree. Of course, the New England village is LeRoy —the village home of "Ohio's famous insurance company". . . Why not pay us a visit sometime? LeRoy and the Ohio Farmers will both make you very welcome. . . .

OHIO FARMERS INSURANCE COMPANY,
CHARTERED 1848, LEROY, OHIO. . .

■ A SALUTE TO THE STATE OF INDIANA

Indiana has 36,354 square miles . . . 1.20% of the U. S.
Indiana has 3,238,503 population . . . 2.64% of the U. S.
Indiana manufactures products valued at \$1,040,143,315.

For six decades the centre of population of the United States has been moving slowly westward across Indiana, a State noted for its transportation facilities and its educational institutions. An enormous amount of freight moves on the 550 miles of navigable riverways, notably the Ohio and Wabash Rivers and in addition, a heavy tonnage enters or leaves Lake Michigan ports. Electric inter-urban traffic is said to be heavier in this State than anywhere else.

Indiana ranks high among the states in coal, pig iron and petroleum production while the value of farm and livestock products exceed \$260,000,000.



*Indiana insures, with the old established stock companies,
\$1,619,379,731 of its property values against fire and pays
annually \$10,719,408—2.32% of the premiums of the United States.*

American Equitable Assurance Com- pany of New York

Organized 1918

Capital, \$1,000,000.00

Globe & Republic Insurance Company of America

Philadelphia, Pa.

Capital, \$1,000,000.00

Established 1862

Knickerbocker Insurance Company of New York

Organized 1913

Capital, \$1,000,000.00

Merchants and Manufacturers Fire Insurance Company

Trenton, N. J.

Capital, \$1,000,000.00

Chartered 1849

New York Fire Insurance Company

Incorporated 1832

Capital, \$1,000,000.00

Sussex Fire Insurance Company

Newark, N. J.

Capital, \$1,000,000.00

Incorporated 1928

Corroon & Reynolds

Incorporated
MANAGER

92 William Street

New York

One of a series designed to acquaint insurance men and insurance buyers with a few facts about our country.

Paul McKown Is Assistant Coast Manager of St Paul

ST. PAUL, Feb. 17.—Paul McKown, for the past year production manager of the St. Paul Fire & Marine, this week took up his duties as assistant manager of the Pacific department of the St. Paul Fire & Marine, Mercury and St. Paul-Mercury Indemnity, with headquarters in San Francisco.

Starting in the home office in 1923, Mr. McKown later had field experience in Virginia and Wisconsin. He is a son of J. C. McKown, secretary of the St. Paul Fire & Marine.

Push Omaha Occupation Tax Against Companies, Agents

OMAHA, Feb. 17.—The city council's occupation tax against insurance companies and agencies, designed to raise \$50,000 annual revenue, will be introduced next Tuesday.

Recently the council apparently abandoned the proposed tax after fraternal with headquarters here declared they were exempted from city taxes by state law and threatened to take the matter to court.

The new measure does not attempt to tax the fraternal. Life, accident and

health agencies will go into one classification and fire agencies in another. The tax will be placed against premiums in sufficient percentage to yield the \$50,000. Finance Commissioner Knudsen got his premium collection data from tax returns filed by the companies.

Threats were heard at the recent meeting of the Nebraska Farmers Union companies in Omaha to move their headquarters to some other city if the ordinance is passed.

C. L. Boughner of Akron, O., has purchased the Peoples Insurance Agency of that city. The Boughner agency has moved to 305 Peoples Bank building.

Careful Underwriting and Selection by Agents Urged

F. C. SNAPP SOUNDS WARNING

State Farm Fire Official Says Few Agents Realize Importance of Inspections

Careful underwriting is a factor that cannot be ignored in fire insurance, Vice-president F. C. Snapp of the State Farm Fire, Bloomington, Ill., stated in a talk on "Underwriting Pitfalls" at the Chicago convention this week of the State Farm group. If sound underwriting principles are disregarded, he said, disaster eventually will occur. No company has sufficient financial strength to do so. The failures of a number of large companies in the past proves this point.

Mr. Snapp discussed the selective underwriting method of the State Farm Fire, saying the policy will be continued of requiring an adequate premium with which to pay acquisition cost and losses.

He discussed the agent's duties as an inspector of risks. "The company requires that he make inspections—give a completed application, yet he may fall far short of being a satisfactory agent. He may fail to recognize the hazards and likewise may fail to give to the company a proper picture of the risk which he seeks to insure.

Agent's Important Function

"Out of the experience of our first year's underwriting, while the results to date seem to be generally satisfactory, we are obliged to say that through lack of information as to fire underwriting requirements, many risks not sought, perhaps, by other companies have been handed to us. The agents have made a careful inspection so far as physical conditions were concerned, but through a lack of knowledge of general fire underwriting were unable to discern the undesirable features as to moral and inherent hazards.

"I am convinced that few agents realize the importance of genuine inspections. This work is done in a sort of perfunctory manner, simply because it is a requirement of the company that a prescribed blank called 'application' be filled out in detail rather than because of a sincere, conscientious inclination on the part of the agent to make an inspection.

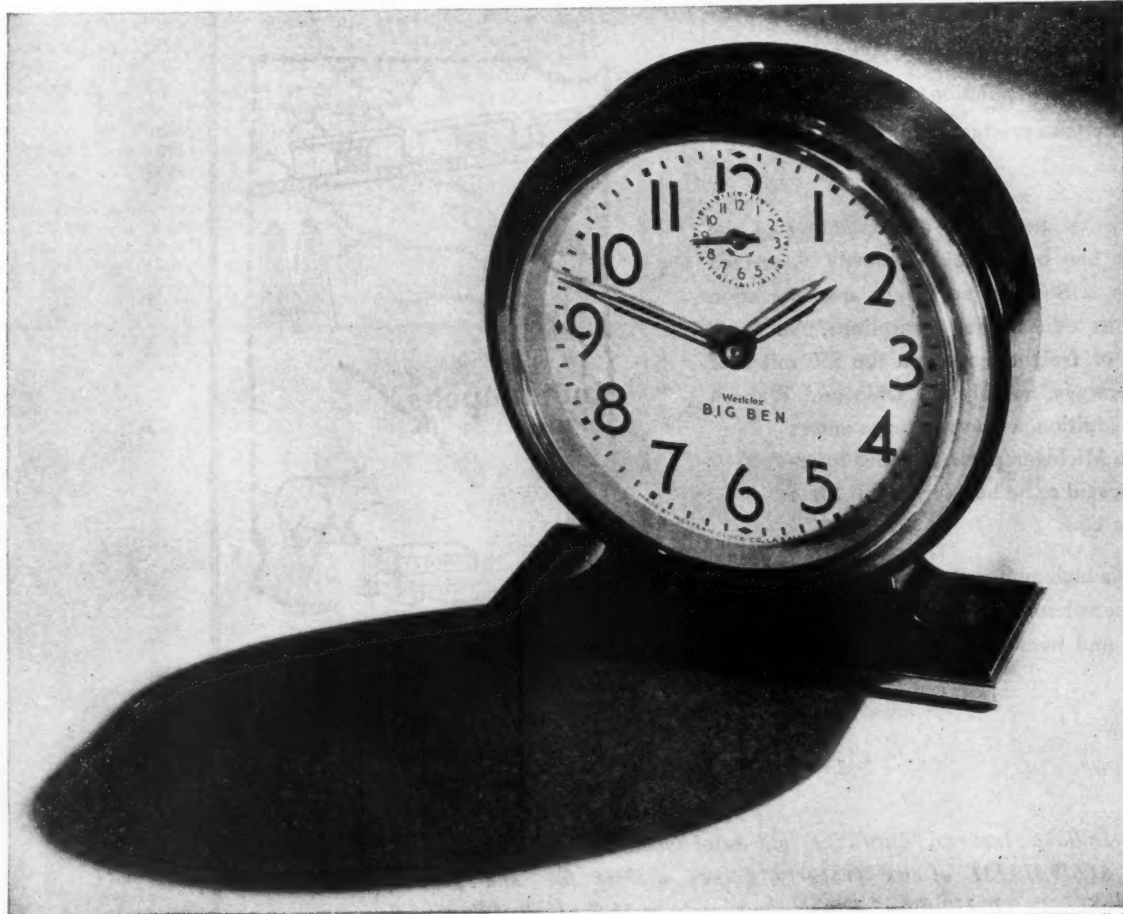
Dislike to Make Inspections

"In fact, many agents dislike to make inspections due to the general practice of companies permitting the issuance of policies by local agents, such companies maintaining a paid staff of inspectors to follow up the work of the agent.

"Agents' inspections are not generally good, perhaps, through no fault of their own, but rather because of their lack of experience regarding losses, or, perhaps, a lack of general knowledge of the business. True, they gather the information necessary to complete an application and they may be even skilled in this, but when they answer the question, 'Do you fully recommend this risk?' there is only one answer—the usual answer—in the affirmative—prompted by the altogether too serious consideration of the commission involved rather than from a conclusion arrived at from the preponderance of the information obtained for the purpose of answering the question on the application as to the desirability of the risk."

Would Permit New Investments

NEW YORK, Feb. 17.—Superintendent Pink of New York has asked the chairmen of the insurance committees of the legislature to introduce bills to permit insurers to invest in adequately secured equipment trust certificates or similar securities, and in adequately secured certificates of trustees or receivers.



PHILIP D. GENDREAU, N. Y.

Time to Make a Sale!

How long since you've made a really good sale? Not just sold a policy, but secured a new account, a good one that will pay you dividends for years?

It's getting new accounts regularly—little ones as well as big ones but good ones—that will keep your agency growing, your income increasing. Are you fully equipped to solicit, secure and retain permanent clients, complete accounts? Our agents are, for they have a steady, valuable source of selling and servicing ideas.

For instance, they have the booklet

"The Insurance Survey, A Selling Tool" that tells how to get accounts by the survey method. They have the sales portfolio "Why ONE GOOD Insurance Man," a compilation of the answers of eleven hundred insurance buyers all over the country to the question of how they buy insurance. This attractive presentation enables our agents to show their clients and prospects that using one agent or broker, instead of several, saves money, that periodic surveys result in better coverage for less money, and that the

use of mutuals does not save money.

Keeping a steady stream of new business coming into your office necessitates advertising and sales promotion. Our agents know how to do this important part of their job because they have our booklets "Prospect and Mailing Lists" and "Mail Advertising for Local Agents."

If you have not seen the sales portfolio and these booklets write, now, on your agency stationery, naming the ones you want. You won't be obligated in the slightest.

The
MANHATTAN
Fire and Marine Insurance Company

The
LONDON ASSURANCE

Ninety-Nine John Street, New York

The
UNION FIRE
Accident and General Insurance Company

ONE HUNDRED AND THIRTEENTH ANNUAL STATEMENT

UNITED STATES FIRE INSURANCE COMPANY

of New York

Organized 1824

STATEMENT DECEMBER 31, 1936

ASSETS

Cash in Banks & Trust Companies	\$ 2,628,464.42
United States Government Bonds	6,612,848.11
Other Bonds and Stocks	23,536,694.81
Mortgage Loans on Real Estate	421,640.79
Real Estate	567,374.39
Premiums in Course of Collection (not over 90 days)	1,040,435.17
Bills Receivable, Not Due	158,202.26
Interest Accrued	77,391.56
Other Assets	36,022.91

TOTAL ADMITTED ASSETS \$35,079,074.42

LIABILITIES

Reserve for Unearned Premiums	\$ 9,315,898.90
Reserve for Losses in Process of Adjustment	1,461,540.00
Dividends Declared and Unpaid	250,000.00
Other Liabilities	703,029.14
Mortgage Reserve	100,000.00
Capital	\$ 2,000,000.00
Net Surplus	21,248,606.38

SURPLUS TO POLICYHOLDERS 23,248,606.38

\$35,079,074.42

Securities carried at \$3,268,514.03 in the above statement are deposited as required by law, of which \$2,500,000 par value in United States Government Bonds are held by the Superintendent of Insurance of New York, under Sections 130-1-2 of the New York Insurance Law as a Special Reserve Fund.

On the basis of December 31, 1936 Market quotation for all Bonds and Stocks owned, the total admitted assets and surplus would be increased by \$930,020.14.

ONE HUNDRED AND FIFTEENTH ANNUAL STATEMENT

THE NORTH RIVER INSURANCE COMPANY

of New York

Organized 1822

STATEMENT DECEMBER 31, 1936

ASSETS

Cash in Banks & Trust Companies	\$ 1,832,269.51
United States Government Bonds	5,072,135.70
Other Bonds and Stocks	17,207,774.83
Mortgage Loans on Real Estate	235,075.00
Real Estate	148,729.25
Premiums in Course of Collection (not over 90 days)	761,264.08
Bills Receivable, Not Due	53,003.46
Interest Accrued	45,882.65
Other Assets	15,242.02

TOTAL ADMITTED ASSETS \$25,371,376.50

LIABILITIES

Reserve for Unearned Premiums	\$ 5,809,845.22
Reserve for Losses in Process of Adjustment	972,504.00
Dividends Declared and Unpaid	160,000.00
Other Liabilities	378,811.96
Mortgage Reserve	50,000.00
Capital	\$ 2,000,000.00
Net Surplus	16,000,215.32

SURPLUS TO POLICYHOLDERS 18,000,215.32

\$25,371,376.50

Securities carried at \$2,322,520.83 in the above statement are deposited as required by law, of which \$2,000,000 par value in United States Government Bonds are held by the Superintendent of Insurance of New York under Sections 130-1-2 of the New York Insurance Law as a Special Reserve Fund.

On the basis of December 31, 1936 Market quotation for all Bonds and Stocks owned, the total admitted assets and surplus would be increased by \$576,641.47.

CRUM & FORSTER

MANAGERS

110 William Street, New York

Western Department
FREEPORT, ILLINOIS
F. M. Gund, Manager

Southern Department
ATLANTA, GEORGIA
Hines Bros., Managers

Pacific Department
SAN FRANCISCO, CAL.
Ward S. Jackson, Manager

Carolinas Department
DURHAM, NORTH CAROLINA
J. F. Glass, Manager

Allegheny Department
PITTSBURGH, PA.
Geo. W. Unverzagt, Manager

COMPANIES

Hartford Fire Sets New Mark

Assets Mount Above \$100,000,000 For First Time in History of Company

Assets of the Hartford Fire have crossed the \$100,000,000 mark for the first time in its history. As of Dec. 31, 1936, assets amounted to \$101,999,688. This was a gain of \$7,674,073 for the year. Net surplus amounted to \$49,476,073, increase \$8,022,751. Premium reserve amounted to \$31,155,533, a decrease of about \$300,000.

Total income was \$36,595,737. Premium income was \$32,980,661. Disbursements totaled \$31,978,369. Losses paid were \$14,247,216; expenses \$17,617,142.

Assets of the New York Underwriters amount to \$8,302,489 and net surplus was \$4,843,817. Assets of the Citizens of New Jersey were \$3,155,232 and net surplus \$1,655,323.

Springfield F. & M. Figures

Annual Statement Items of the Three Companies in the Group Are Shown

Annual figures of the Springfield F. & M. group are out, the Springfield showing assets \$33,400,003, premium reserve \$11,322,935, voluntary reserve \$500,000, capital \$5,000,000, net surplus \$14,253,397.

The Michigan F. & M. shows assets \$4,134,614, premium reserve \$1,331,905, capital \$1,000,000, net surplus \$1,456,688.

The Sentinel Fire shows assets \$2,637,066, premium reserve \$332,979, capital \$1,000,000, net surplus \$1,220,057.

The Springfield increased assets \$3,036,154, surplus \$2,681,746, premiums \$203,163, premium reserve \$249,048. The similar increases for the Michigan F. & M. were \$271,591, \$231,596, \$24,630, and \$129,381. For the Sentinel they were \$179,376, \$168,624, \$6,158 and \$7,348.

The premium increase for the three companies was 1.79 percent. The expenses show an increase of \$473,757. The loss ratio was 41.32 percent.

President Bulkley in his report says that the situation in connection with the collection of agents' balances continues to show improvement. The total trade credit for the three companies was \$639,624, a decrease of \$1,134,160 and net underwriting credit of \$555,018, decrease \$1,004,894.

The effect of the Missouri rate de-nouement is seen in the fact that the underwriting profit of the Springfield would have been at least \$200,000 greater if it had not had to pay out so much in that state.

H. J. Kiefer Wins Promotion

Piedmont Assistant Secretary Becomes General Agent of Aetna Fire Group at the Home Offices

HARTFORD, Feb. 17.—H. J. Kiefer, assistant secretary Piedmont Fire of Charlotte, N. C., member of the Aetna Fire group, has been appointed general agent of the Aetna, World and Piedmont and transferred to the home office in Hartford. Mr. Kiefer has been in North Carolina since 1925 when he was appointed special agent.

Six years later he was promoted to agency superintendent, and in 1934 was elected assistant secretary of the Piedmont. He joined the Aetna's home office staff in 1916 as an employee in the mail division. He was subsequently transferred to the accounting department, where he continued until 1925 when he went to North Carolina.

E. K. Whitney, special agent for the



Gains in 1936

Premiums Gained, \$576,203.84 Combined Assets Gained, \$454,239.71
Combined Capital & Surplus Gained, \$123,017.37

CONDENSED STATEMENTS AS OF DEC. 31, 1936

The Western Casualty and Surety Company

ASSETS

Government Bonds	\$ 743,238.72
State, County and Municipal Bonds.....	623,845.31
Other Bonds	257,366.57
Total Bonds	\$1,624,450.60
Stock of The Western Fire Insurance Co.....	1,008,017.90
Accrued Interest	17,805.05
Cash	389,234.53
Premiums in Course of Collection (not over 90 days due)	659,305.62
Due from Reinsurers and other Admitted Assets.....	14,315.01
Total Admitted Assets.....	\$3,713,128.71

LIABILITIES

Reserve for Losses.....	\$1,144,904.09
Reserve for Unearned Premiums.....	1,270,196.21
Reserve for Commissions.....	160,017.66
Reserve for Taxes and Expenses.....	79,810.00
Total Liabilities	\$2,654,927.96
Capital	\$750,000.00
Surplus	308,200.75
Surplus as regards Policyholders.....	\$1,058,200.75
TOTAL	\$3,713,128.71

NOTE: In above statement bonds are carried on amortized basis and Stocks of The Western Fire Insurance Company at value appearing in following statement increased to reflect actual market value of bonds, less 1 percent representing shares owned by Directors. On basis of market quotations for bonds owned by The Western Casualty and Surety Company Admitted Assets would be \$3,764,344.36 and Capital and Surplus would be \$1,109,416.40.

The Western Fire Insurance Company

ASSETS

Government Bonds	\$ 145,475.00
State, County and Municipal Bonds.....	225,745.98
Other Bonds	141,158.30
Corporate Stocks	565,132.00
Total Bonds and Stocks.....	\$1,077,511.28
Real Estate and Mortgages.....	\$ 226,995.07
Accrued Interest	6,277.14
Cash	111,397.78
Premiums in Course of Collection (not over 90 days due)	85,005.17
Due from Reinsurers.....	6,004.89
Total Admitted Assets.....	\$1,513,191.13

LIABILITIES

Reserve for Losses.....	\$ 60,505.80
Reserve for Unearned Premiums.....	426,611.35
Reserve for Taxes and Expenses.....	23,575.00
Total Liabilities	\$ 510,692.15
Capital	\$500,000.00
Surplus	502,499.18
Surplus as regards Policyholders.....	\$1,002,499.18
TOTAL	\$1,513,191.13

NOTE: In above statement bonds are carried on amortized basis and stocks at December 31, 1936, market values. On the basis of market values for both bonds and stocks Admitted Assets would be \$1,528,892.05, and Capital and Surplus would be \$1,018,199.90.

E. C. GORDON, Secretary-Treasurer

Central Department
A-1924 Insurance Exchange
Chicago, Ill.

Home Office
Fort Scott, Kansas

RAY B. DUBOC, President

Executive Offices
916 Walnut St.
Kansas City, Mo.

Aetna-World in North Carolina, has replaced Mr. Kiefer as assistant secretary of the Piedmont. He joined the Aetna in 1913 as mail clerk. After being endorsement clerk and map clerk, he served in the Naval Reserve during the war. In 1921 he returned to the Aetna as map clerk, remaining at the home office until 1925 when he was put in charge of North and South Carolina.

Sparks Assistant Secretary

At the annual meeting of the Camden Fire, which was the 96th, W. L. Sparks was elected assistant secretary. He is in charge of claims. He has been

with the company since 1908 except for an interval of six years, from 1912 to 1918, when he was at Manchester, N. H. He had served in various underwriting capacities and as manager of the inland marine department before being placed in charge of the loss department two years ago.

Two Old Companies Report

The two leaders in the Crum & Forster fleet issue their annual statements, both companies being about the same age. The United States Fire is issuing its 113th annual statement showing assets \$35,079,074, of which \$2,628,464 is

cash, \$6,612,848 federal bonds, \$23,536,695 other bonds and stocks \$9,315,899 premium reserve, \$1,461,540 loss reserve, \$2,000,000 capital, \$21,248,606 net surplus.

The North River is issuing its 115th annual statement, showing assets \$25,371,377, of which \$1,832,270 is cash, \$5,072,136 federal bonds, \$17,207,775 other bonds and stocks, \$5,309,845 premium reserve, \$972,504 loss reserve, \$2,000,000 capital, \$16,000,215 net surplus.

Hanover Fire's Exhibit

The Hanover has issued its annual statement showing assets \$18,425,922 as

compared with \$16,535,750 a year ago. Its premium reserve is \$4,548,418 as compared with \$4,426,826. The capital is \$4,000,000 and net surplus \$8,746,031 as compared with \$6,962,128, an increase of \$1,895,800. It has paid losses \$84,945,098 since organization.

The Fulton Fire shows assets \$1,568,309 as compared with \$1,427,295, capital \$1,000,000, net surplus \$568,398 as compared with \$927,295. The entire liability is reinsured in the Hanover. The Hanover this year is issuing its 85th annual statement.

Merchants of Denver Increases

The Merchants Fire of Denver has issued its annual statement. There is an increase in net premiums of \$51,934, premium reserve \$70,570, in surplus \$65,962 and in assets \$138,303. The loss ratio was 44.47 percent. It has added \$10,000 additional to voluntary reserve making that item \$60,000.

The assets are \$2,380,116, premium reserve \$974,045, voluntary reserve \$60,000 capital \$400,000, net surplus \$776,402.

Camden's Figures Analyzed

The Camden Fire last year showed net premiums \$5,345,055, loss ratio 39.15 percent or 41.99 percent taking into consideration adjustment expenses. The general expenses incurred were 39.97 percent and the expense ratio as a whole 47.07 percent. Total losses, expenses and underwriting profit and loss items were \$4,755,621 or 88.97 percent. The trade profit was 11.03 percent or \$589,435. Its increase in premium reserve was 4.36 percent or \$233,073. Its net profit from underwriting was 6.67 percent or \$356,362. Its increase in premiums was \$135,923 or 2.61 percent.

The assets are \$13,047,582, the premium reserve \$4,973,695, capital \$2,000,000 and net surplus \$5,026,399. The assets increased \$1,135,048, the premium reserve more than \$200,000 and the surplus \$937,043.

"Bring Ladies" to Mid-Year Meeting, Is Omaha Slogan

OMAHA, Feb. 17.—Committees arranging the mid-year meeting of the National Association of Insurance Agents, which will be held here April 19-23, have adopted the slogan, "Bring the Ladies, Too."

As chairman of the ladies' entertainment committee, Mrs. Arthur B. Dunbar, whose husband is a member of the National association's executive committee, is planning an unusually inviting program for them.

Philip W. Downs of the Downs Agency, general convention chairman and president of the Omaha association, announced through Mrs. Dunbar that a special drive will be made to increase the attendance of members' wives. The wives of all male committee chairmen have been appointed on Mrs. Dunbar's committee.

Frank Wheeler of Fell & Pinkerton, Bert Wheeler of Wheeler-Welpton-Alexander and Henry Christensen of Kelly-Christensen Co., who comprise the men's golfing committee, are planning a gala time on the fairways. The visitors will play at the Field Club, home course of Johnny Goodman, former national open champion, and Rodney Bliss, his strongest competitor in amateur ranks. Both are insurance men.

The hotel reservation committee headed by Charles Allison, Omaha Insurance Agency, Omaha National Bank building, already has received a flood of applications for rooms. Early reservations caused Chairman Downs to predict that a new mid-year attendance record may be set.

George Cowton of Grand Island, president of the Nebraska association, has announced that the state convention will be held here simultaneously with the national meeting.

F. J. Kervan, special representative of the Grain-Dealers Mutual, Indianapolis, is in a critical condition as the result of an automobile accident.

STANDARDS OF SUPERIORITY OF GRINNELL FIRE PROTECTION

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Diversification
Quality of Products
Installation
Responsibility
Accessibility

"RESOURCES TO AVOID BIG CLAIMS"

Your fire insurance company's resources are sufficient to withstand payment of large claims without disturbing the company's stability. Grinnell's resources are of a different sort — immeasurable in dollars, they are built up for the purpose of *preventing* fires — to avoid the damage that results in costly claim payments.

Here is what these Grinnell resources, listed above, mean to you: You can suggest a Grinnell Automatic Sprinkler installation to a client or prospect with the sure knowledge that the equipment used has been proved by tireless research; that its layout will be correctly

engineered; its installation made deftly, with minimum disruption to business. That Grinnell maintains thirty-four strategically-located offices for emergency or routine service. And that back of every Grinnell installation is the responsibility of protecting fifty billion dollars' worth of the world's property against fire.

Next time you discuss Automatic Sprinkler Fire Protection, remember that resources are as necessary to its success as to the success of your fire insurance company. The Grinnell Company, Executive Offices, Providence, R. I., Branch Offices in Principal Cities.



GRINNELL

AUTOMATIC SPRINKLER FIRE PROTECTION

AS SEEN FROM CHICAGO

ROTHERMEL HEADS COMMITTEE

S. A. Rothermel of Moore, Case, Lyman & Hubbard of Chicago has been made chairman of the Chicago joint committee for cooperation with the Business Development Office of New York in Cook county. Wallace Rodgers, assistant manager Western Underwriters Association, met with the joint committee of the Chicago Board, Illinois Insurance Brokers Association and Cook County Field Club to discuss with them plans for work.

* * *

ROY L. DAVIS HONORED

A number of the leading life insurance men of Chicago gave a luncheon Wednesday of this week in honor of Roy L. Davis, assistant director of insurance of Illinois. Mr. Davis has been prominent in the life insurance field in Chicago and is a former president of the Chicago Life Underwriters Association. The committee in charge consisted of A. E. McKeough, Penn Mutual Life, chairman; Harry T. Wright, Equitable of New York, and Frederick Bruchholz, New York Life, who is president of the life underwriters. Mr. Wright presided.

Mr. Bruchholz presented a gift to Mr. Davis on behalf of those present.

A. C. Resek, license supervisor of the Chicago office of the insurance department, was present.

* * *

HONOR FIVE VETERAN BROKERS

Five brokers who have been connected with Fred S. James & Co., in Chicago for more than 25 years were honored at the annual dinner for office brokers and members of the staff. George Blossom, Jr., was toastmaster, presenting sterling silver engraved bowls to the five on behalf of the office. These brokers with their service records are: M. A. Johnson, 1900; S. J. Souci, 1902; M. M. Myerson, 1906; Abe Phillips, 1910, and L. J. Phillips, 1912. J. S. Phillips, father of the latter two, went with James & Co. in 1874, two years after

the founding. The James & Co. staff is distinguished by long service records. Ira Holt of the fire underwriting department went with the office in 1892 and Charles Buresh, member of the firm, in the next year. Karl D. King, a partner, dates from 1905, E. J. Schafer, 1907; W. E. Higbee, 1903, and George W. Blossom, Sr., on Jan. 1 completed 50 years with the office. Congratulatory letters were received from Mr. Higbee,

who is wintering in Miami; Mr. Blossom, who is in California for the winter, and H. G. Casper, United States manager Eagle, Star & British Dominions, who before moving to the east was quartered in the office as western manager for that company.

FERGUSON IS GENERAL AGENT

J. J. Ferguson of Chicago, assistant general agent in the western department of the Fireman's Fund group in charge of brokerage operations in Cook County and Illinois, has been made general agent. This gives Manager S. M. Buck three general agents in charge of

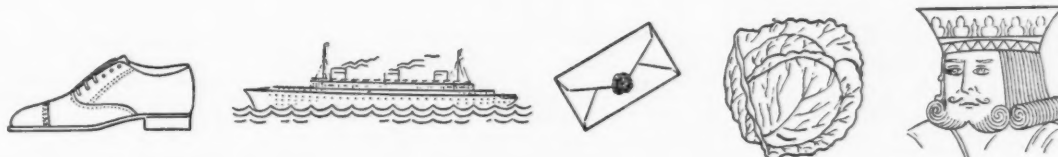
specific departments, they being W. L. Leonard, W. W. Waddell and Mr. Ferguson. H. A. Bush is assistant western manager. Mr. Ferguson, who formerly traveled in Cook county for the Fireman's Fund, has been very active in the Cook County Field Club, served as its president and is a man of fine promise.

* * *

SKOW LEAKAGE CHAIRMAN

Walter Skow of the Fireman's Fund was elected chairman of the Western Sprinkler Leakage Conference at the annual meeting in Chicago. M. Le Pitre, Fire Association, is vice-chairman and

*The time has come, Good Business says—
To talk of values higher
On lumber, buildings, steel and food*



So—Call on every buyer

Years of shrinking prices and reduced values resulted in smaller policies. The trend has changed! Now you have an opportunity and a duty to build up your volume.

Many a property owner—even though he welcomes economic improvement—forgets the need for protecting increased values. As a matter of sincere service, it is your duty to remind your customers of the change.

And therein lies your opportunity . . . perhaps the easiest way to raise volume you have ever experienced . . . because your best prospects are already your customers.

Business improvement has been noticeable . . . steadily. Estimates

place increase in general values at several hundred millions. The effect is nation-wide.

Study your prospect and customer files. Select first those whose properties, equipment and stocks have been most affected. See them, write them, or call them—now.

* * *

In this connection, you can use effectively copies of our booklet "Cash Value." This discussion of the relation between insurance and property valuation has been so widely accepted that it is now in its sixth printing.

Copies are yours for the asking—whether or not you represent our companies.

Personality



RICHARD E. VERNOR, Chicago

R. E. Vernor of Chicago, manager of the fire prevention Bureau of the Western Actuarial Bureau, and former president of the Chicago Rotary Club, who will speak this week before the Chicago Association of Fire Insurance Examiners, on "Personality in Insurance," exemplifies in a high degree a dynamic, sparkling and impressive personality. He is a former Michigan field man and in his special line he is the premier in the country.

Agricultural
Insurance Company.
of Watertown, N.Y.

Empire State
Insurance Company.
of Watertown, N.Y.

EVERY TYPE OF PROPERTY INSURANCE FOR INDUSTRY AND THE HOME

P. J. Doyle, Western Actuarial Bureau, was reelected secretary. New members of the executive committee are H. R. Thiemeyer, North America, and W. G. Martin, America Fore, the retiring chairman.

BRABAND WITH DEPARTMENT

A. A. Braband, formerly a Cook County special agent and later manager of the Union of Indiana in Chicago, has joined the Illinois insurance department staff in its Chicago office.

C. A. Siebold of Jones & Whitlock of New York City is in Chicago visiting with Manager A. H. Grupe of the local office.

Leonard Peterson, secretary of the Home, has been on a visit to Chicago and Des Moines. J. W. Morrow, assistant secretary in charge of marine affairs at the head office, was also in Chicago this week.

Hamilton Loeb of the Ellet & Loeb agency of Chicago is having a two weeks vacation in Phoenix, Ariz. His 12-year-old son is in a ranch school there.

Lyman M. Drake of Critchell, Miller, Whitney & Barbour, Chicago, left Saturday for a month's vacation at Winter Park, Fla., accompanied by Mrs. Drake. He is expected to return about April 1.

Louis J. Zoelle of R. B. Carlson & Co., Chicago, has been elected a class 1 member of the Chicago Board.

North America Not Interested

In referring to the Woolworth flood policy, recently, the statement was made that the North America was one of the carriers. The North America advises that it does not write any of the stock line for Woolworth, either fire or flood.

G. W. Lilly, general manager for the Fire Companies Adjustment Bureau, with New York headquarters, and B. K. Clapp, manager at Atlanta, were in Richmond visiting the bureau's branch.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

R. G. CLARKE NAMED SECRETARY

R. G. Clarke has been appointed secretary of the Great American. He has been with that company since last September as manager of the improved risk department. Previously, since 1929, he had been manager of the General Cover Underwriters Association. He started with the National Board as an engineer and then went with the Glens Falls as special agent.

JANUARY FIRE LOSSES

The mild weather generally experienced in January is held accountable for the improvement in the fire waste of the country during the period, the total losses for the month, as reported by the National Board, being \$25,069,895; less by 16.8 percent than those in December, and a 9.6 percent reduction from January, 1936, figures. The January, 1935, losses aggregated \$23,430,504, those for the same month last year totaling \$27,729,930.

BARN AND STABLE LOSSES

C. W. Pierce, vice-president of the America Fore, calls attention to the fact that there have been heavier losses in barns and stables than in any other single class of buildings except dwellings and mercantile establishments. For instance, in 1935 the loss to this class was put at \$27,200,000. Dwellings produced a \$93,488,000 loss, mercantile establishments \$38,200,000.

Mr. Pierce also calls attention to the 10-year fire loss in churches amounting to \$53,000,000. He attributes the cause largely to hazardous types of buildings in which fire resistance is often sacrificed in the desire to enhance beauty. Among the heavier losses are as follows: First Congregational Church, and Mohammed

Temple, Peoria, in 1936, with a \$358,000 loss; St. Patrick's Catholic, Pittsburgh, 1935, \$200,000; St. Michael's Monastery, Union City, 1934, \$532,000; Church of the Assumption and Order Minor Conventuals, Syracuse, 1934, \$310,000; St. Jerome's Catholic, Holyoke, Mass., 1934, \$280,000, and First Methodist, Rochester, 1933, \$156,000.

ACTION OF BROKERS' BODY

Amendments to the by-laws of the National Association of Insurance Brokers create the office of vice-president, allow brokers to join the organization as individual members in localities where there are no associations and fix dates for the election of officers and their terms of office.

RATING ORGANIZATION MEETING

E. W. Nourse, London Assurance; John Kremer, North America, and R. P. Barbour, Northern of London, were elected new members of the governing committee of the New York Fire Insurance Rating Organization at the annual meeting. Reports were given by H. S. Poole, chairman of the governing committee, and W. J. Ward, treasurer of the rating organization.

DISCUSS PREMIUM FINANCE PLAN

Financing of insurance premiums through local banks, according to the plan advocated by President A. C. Stevens of the Great Eastern Fire, was discussed by him with representatives of New York banks at a luncheon in New York City. Mr. Stevens is a White Plains, N. Y., local agent. He proposes that a group of casualty companies form a pool to issue bonds to banks, liability beginning under the bonds when certificates supplied to banks with the bonds are issued by the bank for premiums financed under each note. The bonds guarantee that the bank can collect the unearned premium from the insurance company on any policy if the original premium were paid by the bank to the insurance company involved, provided: (1) The bank has issued a certificate and mailed a copy, with copy of note discounted, to the pool within a reasonable time after note is accepted for discount; (2) the bank has paid or agreed to pay a guarantee premium figured on the face of the note; (3) the bank's interest charged to maker of note does not exceed legal rate of interest; (4) the bank makes claim for unearned premium upon the company and/or its agent issuing the policies within 10 days after default occurs. The bankers' representatives were greatly interested in the plan.

Illinois Code Is Started on Way

(CONTINUED FROM PAGE 3)

Investment provisions have been strengthened.

New bookkeeping requirements will enable the insurance department to get all necessary information about a company.

All policy forms used in Illinois must be filed and approved. This will enable the department to eliminate deceptive clauses and limitations.

The penalty clause is included, enabling the court or jury to penalize a company which vexatiously and without reasonable cause refuses to pay a claim.

The liquidation and conservation law has been strengthened.

Standard provisions for annuity and industrial life insurance and group life insurance have been added.

The companies issuing non-cancellable health and accident policies must give notice of premium due.

A fire insurance rating bill has been

added to the code. Also a provision prohibiting discrimination in automobile rates. Permission for casualty companies to write all necessary kinds of insurance in a single policy is found in the code.

The limit of liability in a single policy for a casualty company is changed by the code from the present 10 percent of capital to 10 percent of capital and surplus combined.

All necessary regulations so far as possible are included in the code, and there is as little left to the discretion of the director of insurance as is practicable.

The code has been referred to the insurance committees of both houses and all parties will have a chance to be heard, but the statement released rather frankly doubts whether there is any room for improvement.

Big Turnout for Pittsburgh Day

(CONTINUED FROM PAGE 3)

Andrew W. Pardew, president of W. W. Flanegin Company and president of the Insurance Club of Pittsburgh, the organization that sponsored the day's program, presided at the luncheon meeting. E. S. Joseph, deputy commissioner of Pennsylvania, was seated at the head table.

At the evening meeting, Mr. Pardew turned the gavel over to N. S. Riviere, who is famed for his French Canadian dialect stories and delighted his audience by reciting some of his choicest ones.

This year the custom was revived of seating the company executives and other special guests at the head table, which ran the length of the banquet hall. These dignitaries presented a magnificent appearance, in evening clothes and before the speaking program was launched, each was introduced amid thunderous applause. Last year the visiting guests were submerged around small tables, but the Pittsburgh people decided that to seat all the dignitaries behind one long board was more glamorous.

Preparing Code Bill

Mr. Hunt discussed legislative matters and hinted that the department is preparing a recodification of the insurance laws. Later Mr. Hunt asserted privately that he is engaged in such a project and that the code bill will be ready in two or three months. Mr. Hunt declared that the present laws in Pennsylvania are complicated and under them it is difficult to give efficient administration. Legislation has been accomplished piece meal. As a horrible example, he referred to a bill that was introduced by a member of the senate insurance committee, the purpose of which was to set aside a court decision that was rendered against a client of that particular senator. That bill was enacted into law.

The commissioner should have more supervision, according to Mr. Hunt. He referred particularly to the matter of rates and unfair competition and asserted that the commissioner should have the power to regulate rates. He declared that some companies have been writing automobile public liability insurance in \$5,000/10,000 limits and \$5,000 property damage coverage for a combined premium of only \$11. Others have been charging only \$12 and \$13. Such a situation is indefensible, he declared. He contended that each particular line of insurance should stand on its own feet. He criticized multiple line companies for undertaking to make up losses in one line by profits in another.

Keeping Abreast of Times

Government supervision, according to Mr. Hunt, must keep abreast of the times. He reiterated a statement that he has been making that if industrial life insurance were devised today as something new, it would be a government enterprise. So would workmen's compensation insurance, he averred. He declared that postoffice activities were at one time conducted privately and the

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school system was a private enterprise. He declared that he favors private enterprise. His implication apparently was that private enterprise must pursue an enlightened course in order to preserve itself.

At the proper time, according to Mr. Hunt, the new proposed legislation will be announced and all insurance people will get a fair hearing. He declared that a company operated rating bureau is needed. This would be under the supervision of the state. Mr. Hunt stated that the department has no desire to take over the rating functions.

A few days previously Mr. Hunt had stated in Philadelphia that if it were impossible to secure passage of the code bill at this session, then a small number of departmental bills will be introduced.

The final speaker was Mr. Pitkin, whose appearance had been arranged by the Maryland Casualty, which is celebrating its 40th anniversary. Mr. Pitkin is as entertaining a speaker as he is a writer.

Auto Flood Loss Reports Slow in Coming Through

(CONTINUED FROM PAGE 3)

WPA project which has been pending several months. A 20,000,000 gallon supply would assure the city of a water supply sufficient for its minimum needs, the city normally using about 50,000,000 per day. Duplication of the California intake pier would cost approximately \$10,000,000 and is not considered advisable at present. A third reservoir on the hilltops at California was being considered as a safety measure increasing the combined capacities of the two reservoirs now used from 300 million gallons to 450 million gallons, sufficient to supply the city for more than a week. Capacity of the present pumping station at the intake pier is 120 million gallons daily.

New Fires in Cincinnati

Fire losses in Cincinnati for 1937 may go beyond the \$2,500,000 mark with the breaking out of two severe fires here late last week. Use of salamanders in drying out of buildings flooded by the river at Cincinnati was prohibited by Fire Chief Houston unless a constant watch is kept over them. The Arthur W. Baehr Company, wholesale grocery, 21 West Front street, will probably be a total loss. The four story brick building was believed to have been set on fire by a spark from a salamander after the building had been locked up for the night. During the flood, water rose to a height of four feet on the second floor. The blaze was fought by 16 fire companies, causing an estimated \$105,000 loss. Insurance on the building was \$35,000, carried in the North America, Travelers, Phoenix of Hartford, and Royal Exchange. On the stock \$70,000 was carried as follows: Travelers \$18,000; Yorkshire, Phoenix of Hartford, Royal Exchange, North British & Mercantile, New York Underwriters, L. & L. & G., Home of New York, Massachusetts Fire & Marine, National Retailers Mutual \$5,000 each and United Firemen's \$7,000.

Fire breaking out in the boiler room of the Mt. St. Joseph Academy-on-the-Ohio, Delhi pike, located in a three story brick wing at the rear of the main building, destroying the kitchen and dormitory section of the wing, caused a loss which will probably exceed \$100,000. Total insurance was \$247,000 carried by the American, Central Fire, First American, Newark, Phoenix of England, Mechanics & Traders, Commerce, Niagara, Sentinel, National-Ben Franklin, Hanover and Fidelity & Guaranty.

A salamander is a can about three feet high containing a grate burning coke or charcoal which gives off a quick, steady heat. They have been extensively used to dry out buildings when furnaces were put out of commission by high water.

Although there is a serious potential

Ten Suggested Rules of Conduct for the Lenten Season of 1937

1. Give up several definite things, such as grand opera, ice skating, stereopticon lectures, cold showers, musicals, afternoon teas and sleigh rides.
2. Declare a moratorium on two-hour lunch hours.
3. Just as a novelty, eat your breakfast before getting to the office instead of going out for it 15 minutes or so after your arrival.
4. Refrain from saying "okedoke," or (worse) "okedokie."
5. Make a definite decision as to whether the cocktail hour begins at 3, 3:30 or 4 p. m.
6. When he is within hearing, don't refer to the man you work for as "the boss." If he has good sense, he doesn't like it.

7. Stop saying, "Hi, sugar" to the good looking girls at information and telephone desks.
8. Express your opinion of the future of the U. S. Supreme Court and make other political prognostications cautiously. Most political prophets have been nearly 100 percent wrong for over four long years.

9. Avoid the serious mistake of telling anyone that we are having a mild winter.
10. Delight and amaze all in the community, including yourself, by treating everyone you encounter for one full week with consideration, civility, and just ordinary decency. Just see how it works out.

—H. J. B.

Giant Panda Is Insured at \$1,500 for \$5,000 Cover

The giant panda (*Aelurus Fulgens*) owned by Mrs. Ruth Harkness of New York and much publicized recently because of its rarity and the oddness of its name, was insured for \$5,000 this week in London by Lloyds by R. W. Hyman, Chicago broker. The rate was large, \$300 per \$1,000, covering death from any cause. Insurance on zoo animals as a rule covers only while being transported, and then only against death due to fire, flood or transportation. The giant panda, now being exhibited in the Brookfield zoo west of Chicago, is the only one ever able to survive captivity in this country. The Chicago Zoological Society is named in the policy, protecting its interest, it having sponsored the western trip of the panda.

Valuable Article by Gilliams

That important savings are resulting to industry through the fire prevention efforts of the stock fire companies operating through the National Board is brought out in an article in the current issue of "Credit & Financial Management" by J. F. Gilliams, vice-president of the Camden Fire and chairman of the committee on fire prevention and engineering standards of the National Board. "Many corporate officials are now realizing that this educational campaign has resulted in enormous savings to business," says Mr. Gilliams, "and from a dollars-and-cents angle alone is worthy of the attention of every business executive."

American of Newark Showing

The annual statement of the American of Newark shows assets \$31,145,711, capital \$3,343,740, net surplus \$12,940,874, premium reserve \$11,483,368, loss reserve \$1,981,485, reserve for taxes \$453,500, special fund reserve \$300,000, reserve for all other claims \$642,744.

Will Have Boxing Bouts

The regular monthly meeting of the New Jersey Special Agents Association will be held at Newark, N. J. March 1. The speaker will be W. A. Wachenfeld, prosecutor of pleas for Essex county. The association will sponsor, through Herbert Puschel of the Home, a series of boxing bouts on the same evening at the Laurel Gardens, Newark, for the benefit of Everyboys Safety League. Mr. Puschel is a member of the board.

moral hazard in the drying out of buildings affected by the flood, it does not appear to have caused any losses so far. A number of minor fires have been caused by overheated salamanders and strict instructions were issued by the fire department governing their use.

Large Potential U. & O. Loss Is Found in Industry Now

Those interested in the use and occupancy line discern the danger of unusually heavy losses these days due to the fact that the machine tool industry is far behind in its orders and that the second hand machine tool market has been thoroughly picked over. According to a bulletin from McCrossin & Co., an engineering firm of New York, it is almost impossible to get delivery on new machine tools under 12 months. If this condition does exist, the underwriters would suffer in the event of a fire in a plant covered by U. & O. that destroys machine tools, since the latter could not be replaced within a moderate length of time. The report is that some of the underwriters are revising their lines with this possibility in mind. The machine tool business is behind in its orders because of revival of domestic business, because of the European armament program and because of the flood in Cincinnati, which is one of the important machine tool manufacturing cities.

Vandalism Cover Now Available

The Western Factory is now making available to its assured vandalism and malicious mischief coverage at tariff rates. In the superior treatment form of the Western Factory riot and civil commotion coverage is provided only for fire, sprinkler leakage and explosion. The assured may purchase the residual riot coverage if he desires and now he may purchase vandalism cover as well.

National Union Fire's Increase

President J. M. Thomas of the National Union Fire states that notwithstanding rate reductions its premiums increased \$800,000 last year or 12½ percent. The surplus increased \$1,250,000. It paid a dividend of \$2.50, an increase of 50 cents. Its assets are \$16,135,420, including \$7,867,942 bonds, \$3,725,106 stocks, \$849,112 cash. Its capital is \$1,100,000 and net surplus \$5,520,351. It puts up a special reserve of \$1,000,000.

Credit Men's Convention

The National Association of Credit Men will hold its annual convention in the Stevens hotel, Chicago, June 21-24. During the meeting, various divisions will meet separately and discuss their particular problems. The insurance unit is headed by D. C. Campbell of the America Fore at Chicago, who is national chairman, the vice-chairmen being Assistant Agency Director J. Dillard Hall of the United States Fidelity & Guaranty, T. A. Fleming, National Board, and Edward King of the Hooper-Holmes Bureau of New York City.

The Agricultural Mutual of Des Moines has doubled its home office quarters in the Capital City Bank building.

Watch Effect of Reform in N. Y. on Rest of Country

MAY NOW EXTEND EFFORTS

Action of New York Exchange in Adopting Amendments Governing Excess Commissions Is Important

NEW YORK, Feb. 17.—Many company executives express the belief the action taken by the New York Fire Insurance Exchange at its special meeting recently, in amending its articles of agreement to provide for nonintercourse by members with any violator of the commission and brokerage rules of the organization, is of first importance, not alone as to its application to this territory, but the effect it is likely to have upon the fire business the country over. The feeling obtains that it is the first step in a determined effort to stamp out the excess commission evil everywhere.

Demoralizing Practice

In the struggle for premium income the payment of excess commissions or brokerage has attained such proportions that observing managers appreciate that unless voluntary reform is made the task will be undertaken for them by the states.

Paying excess commissions is regarded as demoralizing to both giver and recipient, and as leading to rebating, as tending to bring the business as a whole into disrepute. It gives to

(CONTINUED ON PAGE 54)

Commercial Union's Statement

The Commercial Union Assurance reports assets of \$13,341,836 at the close of 1936 with policyholders surplus of \$7,169,904. Liabilities include reserve of \$4,879,779 for unearned premiums, \$711,459 for losses, \$580,694 for miscellaneous and statutory deposit of \$400,000.

The American Central, a member of the Commercial Union fleet, reports assets \$7,507,313; capital \$1,000,000, net surplus \$3,741,826, premium reserve \$2,340,822, loss reserve \$201,229, miscellaneous reserve \$223,435.

Discuss General Motors Claim

The extent of losses at the Flint plants of General Motors under the riot and civil commotion policy is being discussed this week by the interested parties. This policy was written in an individual company supplementing the protection under the Western Factory form which covers only loss due to fire, explosion and sprinkler leakage in connection with riot and civil commotion. The carrier is not denying liability for physical damage caused by the sit down strikers but individual items in the claim are being discussed. There was much breakage of windows and claim was made on account of damage to upholstery, seats, etc. General Motors does not carry riot and explosion U. & O. insurance.

Harvey Goes to Montreal

J. H. Harvey of the Great American in Toronto leaves shortly to become assistant to Canadian Manager Adam McBride in Montreal. Mr. Harvey will be succeeded in Toronto by George Howe, who has resigned as inspector of the Norwich Union.

Carroll L. DeWitt, who retired Jan. 1 as assistant United States manager of the Eagle Star & British Dominions, is spending several weeks at Daytona Beach, Fla. He expects to be there until March 1 and then will go to Miami and take a trip up the west coast enroute home. He will tarry at Babson Park and hobnob with John F. Stafford, W. M. Higley and Fred W. Bowers.

EDITORIAL COMMENT

Control of Insurance and Politics

INSURANCE men have been impressed with the recent pronouncement issued by Governor HURLEY of Massachusetts in which he insists that state officials and employees cease being in the insurance business so long as they are on the payroll of the commonwealth. This is a most wholesome edict. It tends to divorce politics from a line of business very close to the people and which should be entirely free from political domination or pull.

Perhaps it is too much to hope for the separation of office holders from dabbling in insurance entirely because the practice has been in vogue for many years and in some sections this is looked upon as part of the political spoils that rightfully belong to those associated with the machine and look for some preferment.

The associating of office holders with insurance soliciting and the forcing of insurance through definite political channels leaves a very insidious effect on all concerned. Those associated with the political offices are not insurance men. They cannot render service to the public that should be given. They gain their ends through arbitrary methods. They do not get business on merit. People that depend on office holders for favors of different kinds naturally are forced to place their insurance with such offices as it may be intimated they might suffer if they do not.

Political insurance is an uncertain quantity because it passes from person to

person according to which party or faction is in office. It is impossible for the policyholder to secure even ordinary service and intelligent attention. Where an office holder finds that he is able to command insurance it simply adds to his temptation to extend that power in other directions. Thus people who would otherwise deal with their regular insurance offices in which they have great confidence and that have always treated them fairly and intelligently, are thrust elsewhere. It thus works an injustice on brokers and agents who do not possess the required political pull to get business.

Furthermore the insurance business itself is smeared because policyholders who are thus forced to place their insurance through a political medium begin to associate the business itself with machine politics.

The office holder who simply dabbles in insurance is able for the time being to command patronage of this kind but he has no real interest in insurance. His sole object is to secure the commission for himself or for the political treasury. Where actual service is required during the life of the contract or where a claim arises a policyholder finds himself in a position where he has not the friendly, masterful experienced insurance man at his side to render that assistance which is so essential.

The whole subject of officeholders using their political pull to secure insurance is one that needs to be thoroughly aired.

Insuranceless Major Catastrophe

THE extent and nature of the losses resulting from the flood are just commencing to be realized. From PITTSBURGH to CAIRO on the OHIO river and to some extent on the MISSISSIPPI below that point the great flood in most cities is to be compared only with an earthquake or a violent tornado.

And the great fact to be remembered is that this is an insuranceless major catastrophe.

From it we get a picture of what society and individuals would have to face if there were no such institutions as private insurance. As it is, the great flood has to a certain extent disorganized the entire country. The government is preparing to spend billions to repair the losses; the RED CROSS makes appeals for contributions everywhere; the municipal and individual resources of each community affected are strained to the breaking point, and yet without insurance such as was carried at SAN FRANCISCO, for instance, the individual and community losses will be tremendous. In CINCINNATI the RED CROSS announces that it will be on the job of rehabilitation for the next four months and this is an

indication of the job ahead for the other relief agencies involved.

Of course the wastefulness under the relief system is tremendous. Read any daily paper in the flood area for one day's issue and it is easy to grasp the difference between this public, widespread welfare relief by numerous outside agencies and the self-help by an individual who, sustaining a loss, gets immediate payment of his insurance and quietly, efficiently and economically repairs his losses to his home, his factory or whatnot. He knows just what to do, how much he has to do with, and he is not interfered with by outsiders in making his plans. A single instance shows the situation that exists:

THE NATIONAL UNDERWRITER at its CINCINNATI office has in some of its printing work patronized a small printer on the outskirts of town. He had a \$15,000 or \$20,000 investment. He carried fire insurance and THE NATIONAL UNDERWRITER also carried fire insurance on its accumulated stock of printed material and on its type standing. The flood went up 11 feet on his walls and stood there for several

days. Result: There is an entire loss of the printed paper and stock, the machines are rusty and dirty, the place is in ruins. The printer is in no position to reimburse his customers for losses and THE NATIONAL UNDERWRITER, for one, loses \$6,000. At present, the printer is hoping that the government will institute a plan for loans to small business men at low rates of interest so they can get on their feet again. There was no insurance protection, and so far the government, the RED CROSS nor any other agency is in a position to reimburse this man for his losses or even to loan him money to help him carry himself until he can get back on his feet. Of course his plant in its present condition is no security for a bank loan. There are hundreds and thousands of such cases in the flooded areas. The flood victim is lucky if the flood loss is followed by fire because then he can turn it into an insurance loss. Here is a moral hazard and temptation which must be considered by insurance companies.

There is, of course, much loss that would not be covered by insurance anyway. The reconditioning of streets, sewers, sidewalks and public areas would naturally be done by the cities themselves.

Flood losses are somewhat similar to fire or earthquake losses. In CINCINNATI a newspaper item states that the BALTIMORE & OHIO will remove 47 carloads of damaged produce consisting of butter, lard, teas, apples, cabbages and meats to the MILL CREEK valley area where it will be treated with lime and then covered with topsoil. Large quantities of food stuffs were thrown out at the commissary building which serves dining cars operating out of the union terminal. This included canned

fruits and vegetables and smoked meats, particularly hams, damaged to the extent that railroad officials thought it inadvisable to use in dining cars. Large quantities of food stuffs are arbitrarily thrown away by officials whereas if they were insurance losses, insurance adjusters would more carefully distinguish between what could be saved and what was ruined. One man says: "I have some quarters of beef that were hanging up here when the flood came up. The water touched only a few inches of the bottom of them. The rest is perfectly good." And so it goes through hundreds of items. A food inspector gives a rough estimate of the food trapped by the flood in CINCINNATI as follows: Fresh fruits and vegetables, between 200 and 300 cars, all condemned, no salvage; potatoes, eight to ten cars, condemned; flour, eight cars, condemned; canned goods, 40 to 50 cars, probably to be salvaged; bottled goods, 25 cars, mostly condemned; fish, 15 cars, condemned for human use. Flour merchants protested that the insides of barrels of flour were not damaged, because the water, touching flour on the outside, formed a paste which prevented damage to the center of the barrel. The inspector, however, ruled that no such flour could be put to human use. Contaminated meat and fish may be used in soap making. Then there is the problem of second-hand dealers wishing to purchase condemned goods for various purposes, pretending they were to be used to feed hogs or chickens, but really to be sold for human use. If these food-stuffs were damaged by fire there would be a systematic and careful inspection and adjustment of the loss. As it is, the owner stands the loss.

PERSONAL SIDE OF BUSINESS

Harry T. Anthony, Elmendorf & Anthony, Spokane, Wash., is the new president of the Spokane chamber of commerce.

Mrs. Alice Maud Brown, wife of **C. R. Brown**, secretary of the T. J. Fisher Company of Washington, D. C., who had been ill for about a month, died at her home. She was active in Catholic charity work. She graduated from Holy Cross Academy. Her mother, **Mrs. Martha Gray**, was one of the first graduate nurses in the District of Columbia. Mr. Brown has been in charge of the insurance department of his firm for over 30 years.

P. H. Mell, manager of the Pearl Assurance in Philadelphia, is in Augusta, Ga., due to the serious illness of his father, **C. I. Mell**, veteran adjuster.

Alwin E. Bulau, associate state agent of the Home of New York fleet in Ohio, was awarded the blue ribbon with trophy and medal at the Central Ohio Hobby Show in Columbus. The award was made for the most unusual exhibit of objects d'art, which included many unique displays gathered by collectors from all parts of the world. Mr. Bulau's

exhibit consisted of a large panel of fire marks, both American and foreign, as well as other relics of the early fire fighting and insurance days. There were leather fire buckets, silver trumpets, firemen's belts and a large model of hand pumping fire engine dating back to 1825. Mr. Bulau broadcast an interview regarding early insurance and fire fighting days over station WBNS.

Fred W. Colton of Hinsdale, N. H., has rounded out 35 years as an agent. His office was established in 1886 by the late T. W. Saben. It was taken over by **W. O. Amidon** in 1899 and Mr. Colton purchased it in 1902. First it wrote only fire insurance but Mr. Colton has branched out into all lines.

C. E. Thompson, local agent of Peoria, Ill., representing the Travelers, took his own life by shooting himself. He was 40 years of age. He was principally interested in life insurance and was a leader in life organization affairs in his city and nationally.

V. H. Burke, Jr., Ohio state agent of the Buffalo, and **Miss Bertha McIntyre**, assistant secretary of Adams Insurance Agency Co., Warren, O., are to be mar-



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704

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Subscription Price \$4.00 a year in United States and Canada. Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1901, at Post Office at Chicago, Ill., Under Act March 3, 1879.

ried in April. They will reside in Painesville, O.

Thomas Marron, for many years an examiner for the Minnesota insurance department, is joining the Employers Mutual Fire as special agent in the Minneapolis office.

David Hinkley of the rating division of the Eastern Underwriters Association is in St. Petersburg, Fla., convalescing from a major operation in a New York City hospital some weeks ago.

Perry Pipkin of A. E. Pipkin & Co., Memphis, Tenn., local agency, has been recommended for the United States Junior Chamber of Commerce award to the man under 35 who rendered the greatest service to his community in 1936.

James B. Brown, Jr., of Denver, is receiving congratulations on the 50th anniversary of his association with the insurance business in that city. He became office boy in the agency of D. C. Packard and U. B. Wilson Feb. 11, 1887, being with that firm and its successors for over 35 years. For several years he has been adjusting fire losses for the companies.

W. A. Scanlon, associate manager of THE NATIONAL UNDERWRITER, is in the Passavant Memorial Hospital in Chicago with a broken arm. He sustained an accident while doing some ice skating last Sunday night. It will probably be another two weeks before he will be able to be actively on the job again.

R. E. Vernor of the Western Actuarial Bureau was master of ceremonies at the Albion college banquet in Chicago, Tuesday evening. For 15 minutes the proceedings were broadcast. At that time Mr. Vernor interviewed Dr. F. L. Moulton, co-author of the planetesimal theory.

J. C. Kinnett, agency superintendent for Gordon, Brown & Carter, Richmond, Va., and his brother, H. H. Kinnett, examiner for that firm, were called to Atlanta last week by news of the death of their father. Another son is Frank Kinnett, agency superintendent for A. H. Turner, manager.

W. L. Braerton of Denver, president of American Association of Insurance General Agents, was in Chicago this week on a trip that will take him as far as Florida on association business. This is the second long association trip he has taken in the last few weeks, the first one having been a tour of the Pacific Coast territory.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Feb. 15, 1937

	Par	Div.	Bid	Asked
Aetna Cas.	10	3.00*	106	110
Aetna Life	10	1.60	48	50
Aetna Fire	10	1.10	33	34
Agricultural	25	3.00	88	90
Amer. Alliance	10	1.20*	24	25
Amer. Equitable	5	1.20*	38 1/2	39 1/2
American (N. J.)	2.50	.50	13	14
Amer. Surety	25	2.50	62 1/2	64 1/2
Automobile	10	1.20*	32	34
Balt. Amer.	2.50	.30*	8 1/2	9 1/2
Boston	1.00	21.00*	690	710
Camden Fire	5	1.00	22	23 1/2
Carolina	10	1.20*	29	30
Contl. Cas.	5	1.20	29	31
Contl. Ins.	2.20	1.45*	42	43
Cum & For. com.	10	.90*	32 1/2	33 1/2
Fidelity & Dep.	20	2.25*	130	135
Fidelity-Phen.	2.50	1.45*	43	45
Fire Assn.	10	2.50*	79	81
Fireman's Fund	25	4.00	94	96
Fireman's F. Ind.	10	...	39	41
Firemen's (N. J.)	5	...	13	14
Franklin	5	1.20*	32 1/2	34
Gen. Reinsur.	5	2.00	45	47
Glens Falls	5	1.60	45	46 1/2
Globe & Repub.	5	.62 1/2*	21	22
Gl. & Rut. (com.)	25	...	74	76
Gr. Amer. Fire	5	1.20*	28 1/2	30
Gr. Amer. Ind.	1	.15	8 1/2	10
Halifax Fire	10	.90*	22	24
Hanover Fire	10	1.60	37	38 1/2
Harmonia Fire	10	1.20*	29	30
Hartford Fire	10	2.00	72	74
Htd. Steam Boil.	10	1.90*	70	72

	Par	Div.	Bid	Asked
Home F. & Mar.	10	2.00	40	44
Home Fire Sec.	10	...	6	6 1/2
Home (N. Y.)	5	1.25*	39	40
Homestead	10	1.00	22	23
Ins. Co. of N. A.	10	2.50*	70	72
Kan. City F. & M.	10	.60	20	22
Knickerbocker	5	.80	17	18
Maryland Cas.	1	...	8	8 1/2
Merch. Mfs.	5	.40	13	14
Mer. Assur. com.	5.00	1.60	59	62
Natl. Cas.	10	.80	21	22
Natl. Fire	10	2.00	64	65 1/2
Natl. Liberty	2	.40*	10	11
Natl. Union	20	4.00*	137	142
New Am. Cas.	2	.30	18	19
New Brunsw. F.	10	1.30	36	37
Northern (N. Y.)	12.50	4.00*	98	101
North River	2.50	1.00*	28	29
N. W. Natl. Fire	25	6.25*	134	138
Pacific Fire	25	5.00*	136	139
Phoenix, Conn.	10	2.50*	95	97
Prov. Wash.	10	1.40*	38	40
Repub. Ins., Tex.	10	1.00	27	29
Rossia	5	.80*	13	14
Security	10	1.40	36 1/2	38
Southern Fire	10	1.20	30	32
Sprgfd. F. & M.	25	4.75*	129	130
St. Paul F. & M.	25	7.50*	214	218
Travelers	100	16.00	510	517
U. S. Fire	4	1.90*	56	57 1/2
U. S. F. & G.	2	...	27 1/2	28 1/2
Westchester Fire	2.50	1.40*	36	37

*Includes extra. **Canadian funds.

Pittsburgh Day Jottings

Col. H. P. Dunham, vice-president of the American Surety, who was planning to attend the Pittsburgh Insurance Day activities Monday, was unable to do so, because he is confined to a hospital in New York, suffering from shingles. The American Surety was represented in Pittsburgh by W. E. McKell, vice-president.

W. M. Frink, assistant United States manager of the Norwich Union, fraternized with the Pittsburgh people and then went to Chicago. He will make a trip to Atlanta before returning to the head office.

F. X. Malley, vice-president of the American Reinsurance, was on deck.

The **Alfred Paul & Son** general agency of Wheeling, W. Va., was represented by Vice-president H. E. Cragg and Special Agent C. J. Johnson. Mr. Cragg was recently elected president of the West Virginia Fire Underwriters Association.

F. W. Hoffrogge, vice-president of the New Amsterdam Casualty, who has been attending Pittsburgh Insurance Day affairs for the past several years and was planning to be on hand this year, had to remain in Baltimore because his 22-year old son had been seriously injured in an automobile accident.

F. W. Sippell, state agent of the North America, was general chairman of the insurance day committees. The assistant general chairmen were E. W. Murphy and C. J. Flaherty. Ralph H. Alexander was chairman of the reception committee; C. H. Bokman, New Amsterdam Casualty, chairman speakers committee; W. M. Reid, guest committee; C. H. Alexander, entertainment; C. A. Reid, publicity; A. C. Supplee, program; H. S. Bepler, dinner; W. J. Zwinggi, finance; R. V. Branion, floor, and G. E. Scaff, ticket.

At the luncheon meeting, which was addressed by **E. C. Stone**, United States general manager and attorney of the Employers Liability, some agents were accompanied by some of their important assured, particularly those that have fleets of automobiles. Mr. Stone gave an analysis of the shortcomings of compulsory automobile insurance and the agents desired to have some of their assured hear the argument.

The manager of the new Standard Accident branch in Pittsburgh, **Fred L. Nesbitt**, had a headquarters room during Pittsburgh Insurance Day and entertained friends. Sam J. Carr, resident vice-president at Philadelphia, was in

Pittsburgh for the day. He was recently elected president of the casualty and surety organization of his city. Mr. Nesbitt is a well known bond expert and has shown some good results in the time that he has been in Pittsburgh.

A banquet hoax was perpetrated following the speech of Commissioner Hunt. Luke Barnett, a professional entertainer, jumped up from one of the

tables, stating that he was an agent in McKees Rocks and demanded that Mr. Hunt sponsor a bill giving a reduction in fire insurance rates to those assured who have not had a fire within five years.

The **National Union Fire**, being a home company, is always glad to contribute much to the success of Pittsburgh Insurance Day. The company maintained a headquarters suite and the officers, headed by President John M. Thomas and Vice-president Harry A. Yates, who had just returned from a vacation in Mexico, were on hand throughout the day and evening.

Financial Statement Reveals UNUSUAL SOUNDNESS

MILLERS NATIONAL INSURANCE COMPANY

Chicago, Illinois . . . December 31, 1936

ASSETS

Government Bonds (Canada)	\$ 174,694.23
Government Bonds (United States)	1,629,265.80
Railway Bonds	537,392.24
Public Utility Bonds	855,569.26
Stocks	459,305.00
Cash in Banks and on Hand	935,398.85
Premiums in Course of Collection	408,075.78
Reinsurance Recoverable on Losses	7,457.01

A
Strong
Liquid
Company

Total Funds Convertible Into Cash on Short Notice . . . \$5,007,158.17

School Bonds	407,121.02
State, Municipal and County Bonds	534,403.41
Industrial and Other Bonds	159,814.84
Real Estate	77,815.80
Accrued Interest on Investments	38,500.72

*Total Assets . . . \$6,224,813.96

LIABILITIES

Unpaid Losses, Net	\$ 235,792.98
Reserve for Unearned Premiums	2,492,594.42
Reserve for Accrued Taxes	60,000.00
Reserve for Accrued Expenses	40,000.00
Reserve for Contingencies	800,000.00

Total Liabilities . . . \$3,628,387.40

Permanent Fund . . . \$1,000,000.00
Net Surplus over all Liabilities . . . 1,596,426.56

Total Surplus . . . \$2,596,426.56

*December 31, 1936, Security Values are those established by the National Convention of Insurance Commissioners. Market values are \$221,287.08 higher.

* ASSETS of the Millers National Insurance Company based upon the actual market values of its securities are \$6,446,101.04, and policyholders' surplus, including \$800,000 contingency reserve, is \$3,617,713.64.

Against every dollar of actual liability Millers National Insurance Company shows \$2.28 in assets, with its bonds and stocks at market values, and \$2.21 in assets to every dollar of actual liability according to the valuations established by the National Convention of Insurance Commissioners. These ratios reveal the unusual soundness and financial dependability of Millers National protection.

1865



1937

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

SEVENTY-TWO YEARS OF SERVICE

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Muskegon's Record Defended

City Manager, C. of C. Official and Local Agents Tell About Fire Fighting Facilities There

Some of the local agents and city and chamber of commerce officials of Muskegon, Mich., have taken exception to an article in THE NATIONAL UNDERWRITER last week calling attention to the several sizable fires that have occurred there in the last year or two and reciting certain criticisms of the fire fighting facilities there.

Fred L. Winter of the Chaddock, Winter, Mulder & Alberts agency of Muskegon states that the insurance men of his city have for years been active in increasing the efficiency of the fire fighting facilities as well as the water works. Numerous improvements have been made, "all of which is demonstrated in the rating which the city has and which rating is made by the National Board."

Muskegon Heights' Loss

A. S. Bolthouse, assistant secretary of the Greater Muskegon Chamber of Commerce, states that the reports of losses in Muskegon in THE NATIONAL UNDERWRITER article are about 30 percent high. The \$200,000 loss to Norge division, Borg-Warner Corporation, he states, should not have been included because it is located in the city of Muskegon Heights, which is a separate municipality.

Although Muskegon operates under the 15 mill property tax limitation, Mr. Bolthouse states, the Muskegon fire department has not suffered in man-power or in operating expenses because of that. Man-power is the same today as it was before Muskegon went under the 15 mill tax limitation. The salaries paid the firemen are higher, Mr. Bolthouse states, and there exists a splendid spirit of cooperation among city officials.

Carl H. Peterson, city manager of Muskegon, states that the city has attempted diligently to maintain its standard during the depression in its fire fighting equipment. Prior to the depression, he states, Muskegon was on a constantly improving basis so that the rating of the city had been reduced from time to time during the past 20 years. The city has constantly worked with the Michigan Inspection Bureau.

Cooperation Is Not Lacking

There is no foundation for the statement that there is lack of cooperation from the city officials. He states that there is a pronounced spirit of cooperation among department heads. "In matters of emergency they act as the members of one family for the common good," he writes. The water department gets immediate assistance from the police and fire department when unusual things occur and in the most recent fire, not only were the police department reserves on duty within 10 minutes after the sound of the third alarm, but the extra crew of the water department was on hand and the street department crews were barricading streets and assisting with the laying and removal of hose line.

Man-power in the Muskegon fire department is at the highest peak of its history and with its greatest payroll, according to Mr. Peterson.

The National Board made a survey of Muskegon in 1932 and recommended certain things be done. Muskegon is now in the fourth class and is not very far from the third class rating, according to the city manager. "With a few changes that we are making," he states, "we hope to get the third class rates before the summer is over."

Cleveland Board Has Election

Herren Succeeds Davis as President; Members to Watch FHA Mortgage Situation

D. E. Herren, vice-president and secretary of the Evarts-Tremaine-Flicker Company, has been elected president of the Cleveland Board, succeeding E. S. Davis of Davis & Disette. J. W. Barrett was named vice-president and S. J. Horton, secretary-treasurer.

New directors of the board are L. S. Asling, F. B. Ayer and C. A. Benner. Holdover members are Mr. Barrett, Mr. Davis, T. C. Goss, Mr. Herren, J. A. Kysela and H. R. Manchester. Speakers at the annual meeting were C. G. Hale, who discussed the standard mortgage clauses, which address will be sent in bulletin form to members later, and Retiring President Davis. Mr. Davis reviewed progress made by the business during the past year and its better condition. He praised administration of the new agency qualification law under Superintendent Bowen.

He said the board's income showed some improvement over the low of 1933 but was still only 50 percent of what it was in 1929. He also stressed measures the board had taken to enable members to retain their share of property financed by building and loan companies and guaranteed by the Federal Housing Administration. He said the local FHA manager has assured the board the federal agency would not knowingly allow a building and loan association to use its connection to coerce insurance.

He also urged members to watch against self-sufficiency in business.

Flood Claim Office Opened

Associated Adjustment Bureau Has Special Temporary Center at Marion, Ill., to Handle Losses

The Associated Adjustment Bureau, 410 South Fifth St., Springfield, Ill., a leading office in its special line, opened an emergency office at Marion, Ill., in order to give better and more economical service to claims in the flooded area. The bureau officials made a survey of the territory and selected Marion after visiting Harrisburg, Herrin, Cairo and other southern Illinois cities affected. The bureau management states that there appears to be little or no damage in Cairo. In other southern Illinois Ohio river communities there have been a number of losses of various kinds. C. A. Moore of the bureau states that a number of adjusters have been sent to Marion. The Associated Adjustment Bureau handles losses only for companies and in addition to its head office at Springfield it has a branch office in the First National Bank building at East St. Louis and in the Standard office building at Decatur.

Mutual Agent Is Restricted

Under the Kansas law, an agent of a mutual company is not empowered to give the insured permission to purchase additional insurance. That permission can only be secured by endorsement by the secretary of the company. Accordingly the Kansas supreme court has held the assured cannot recover, because he did have additional insurance without authority of the secretary of the mutual company. The case was Lohr et al. vs. Farmers Alliance.

The court also held that the acts and

representations of an investigator and adjuster of the Farmers Alliance could not waive the previous forfeiture of the policy.

There have been several Kansas decisions in recent months under which mutual companies have escaped liability because of the fact that agents lack authority to act for such companies under the Kansas law.

Phoenix Agency Incorporates

After nearly 50 years in business, the Phoenix Insurance Agency of Ottumwa, Ia., is incorporating. R. E. Wellman, present owner, will be president. E. P. Doyle, formerly resident manager of the Underwriters Adjusting in Ottumwa, is to be vice-president, and O. A. English, secretary. For a number of years the office was operated as a partnership by Mr. Wellman and C. G. Merrill. Several years ago Mr. Merrill retired to enter the banking field.

Mr. Doyle has been at Goldsboro, N. C., as manager of the Fire Companies Adjusting Bureau, having left Ottumwa about six years ago.

Irvine Goes to Cedar Rapids

R. F. Irvine, for the past two and a half years senior staff adjuster of the Peoria, Ill., branch of the Western Adjustment, has been appointed resident adjuster at Cedar Rapids, Ia., succeeding V. E. Noble, recently transferred to Fargo as general adjuster.

Mr. Irvine, a graduate of Ohio State University, joined the Western in 1928, going from the Goodyear Tire Company. His first assignment was at Grand Rapids, where he remained for about seven years, until transferred to Peoria.

To Demand Inspection

INDIANAPOLIS, Feb. 17.—The Mutual Insurance Companies Union of Indiana at its annual meeting voted to support legislation requiring inspection by licensed persons of all electrical wiring on rural electrification projects. Speakers were E. L. Poor of the American Mutual Alliance, Chicago; I. G. Saltmarsh, secretary of the Indiana Lumbermen's, and R. D. McDaniel, Indianapolis, in charge of rural electrification projects.

Reduction Not Justified

DETROIT, Feb. 17.—The mayor's committee on fire insurance rate reductions in Detroit has been informed by the Michigan Inspection Bureau that no reductions are advisable at this time. The committee, which contended that a 15 per cent blanket reduction is in order, plans to appeal the bureau's decision to the state insurance commission.

Report on Public Insurance

KENOSHA, WIS., Feb. 17.—At the February meeting of the Kenosha Association of Insurance Agents, President Hans C. Hansen, chairman of the committee on city insurance, and Lawrence Hastings, reporting for the county insurance committee, reported writing considerable business which has been apportioned to members.

A dinner meeting will be held in March to honor past presidents. The Racine Board will be invited.

Iowa Development Meetings

Nearly 100 attended a regional meeting in Sioux City, Ia., sponsored by the Sioux City Fire & Casualty Underwriters and the Iowa business development committee.

H. P. Pratt, Sioux City, president Iowa Association of Insurance Agents, spoke. Other state officers present were R. W. Forshay, Anita, past president and chairman of the executive committee, and J.

Life President



A. L. McCORMACK, St. Louis

A. L. McCormack, who is vice-president and general manager of the Charles L. Crane Agency Company, St. Louis local agency, has been elected president of the Central States Life of his city. He became interested in the company in its reorganization when W. M. Crunden was chosen president succeeding George Graham. Mr. McCormack was elected a director and vice-president. He has been president of the Missouri Association of Insurance Agents and is a forceful figure in insurance. Before going with the Crane agency he was St. Louis manager of the Western Adjustment.

Mr. McCormack is a graduate of the St. Louis University Law School. He is president of the Missouri School for the Blind.

S. Cutter of Shenandoah, secretary-treasurer.

A. H. Alexander, St. Paul F. & M., Des Moines, represented the Iowa business development committee as chairman of the meeting. J. C. Stuart, Des Moines, chairman of the committee, also was present. Among the speakers were J. W. Wooldridge and C. C. Karlquist, Sioux City, and Clarence Hawthorne, Des Moines.

A similar meeting was held at Council Bluffs, Ia., in charge of C. W. Borrett, Hanover, Des Moines. Officers of the state agents' association were present.

Omaha Gets Larger Appropriation

The N.F.P.A. reports that the efforts of the fire prevention committee of the Omaha chamber of commerce to secure an adequate fire department budget for 1937 were successful to the extent that an increased appropriation will now permit the department to operate without the protracted layoff of a large part of the fire force which last year's shortage of funds made necessary.

Meet at Springfield

SPRINGFIELD, ILL., Feb. 17.—District 11-A of the Illinois Association of Insurance Agents, consisting of Sangamon, Christian, Logan, Menard, and Montgomery counties, will hold a business development meeting tomorrow.

R. L. Weller, Springfield, and Paul Coffman, Lincoln, joint chairmen of District 11-A, are in charge. Speakers will include Wallace Rodgers, assistant manager, Western Underwriters Association.

tion; A. S. Keys, Springfield; David Benjamin, Springfield; A. L. Kane of Kane & Stolle, Litchfield, and W. E. Hodnett, Lincoln. Company men are giving a complimentary luncheon to all agents present.

Talks on Auto Claims

BEAVER DAM, WIS., Feb. 17.—G. M. Schlotthauer of Grelle & Schlottbauer, Madison, Wis., adjusters, discussed "Adjustment of Automobile Claims," at the February meeting of the Dodge County Insurance Agents Association.

Rodgers Urges Positive Approach

MILWAUKEE, Feb. 17.—Wallace Rodgers, assistant manager of the Western Underwriters Association, spoke on non-stock competition at the February dinner meeting of the Milwaukee Board. Mr. Rodgers reviewed the educational program initiated by the Western Underwriters Association and the more recent efforts of the Business Development Office.

Mr. Rodgers urged the necessity of a positive approach by the local agent in competing with non-stock insurance by creating a desire and preference on the buyer's part for the product he has to sell, rather than attempt to "unsell" what the mutuals have to offer. Knocking non-stock insurance, he said, is the best kind of advertising for the mutuals.

New Des Moines Insurance Plan

DES MOINES, Feb. 17.—The city council has learned it has only \$74,000 of fire and wind insurance on \$1,458,975 of municipal buildings and their contents, through a survey conducted at the request of the council by a committee from the Des Moines Association of Insurance Agents. The city has 26 buildings, valued at \$1,425,975, on which it carries no fire insurance at all, while many others have ridiculously low coverage.

The committee has submitted a plan which would give the city insurance up to 80 per cent of the value of all of its buildings at \$4,200 the first year and approximately \$2,100 annually thereafter. City insurance now costs \$693 a year.

Sharp Named Special

James T. Sharp, Jr., has been appointed special agent of the Mill Owners Mutual Fire of Iowa, succeeding the late E. E. Curry. Mr. Sharp is a son of the president.

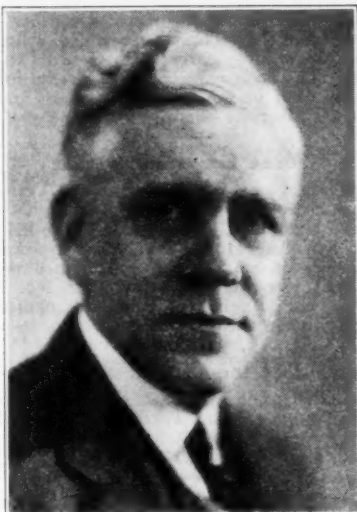
Smrha Talks at Mutual Meet

Agents of the Farmers Mutual of Nebraska attended the annual meeting in Lincoln. Insurance Director Smrha, speaking at the annual dinner, likened the function of insurance to that of the governor on an engine or the keel of a ship: holding all things steady.

Speaks to Women's Club

C. W. Borrett, Hanover Fire, Des Moines, spoke on the Business Development Office movement at a dinner

Head of Board



D. E. HERREN

D. E. Herren, vice-president and secretary of the Evarts-Tremaine-Flicker Company, has been elected president of the Cleveland Board. Mr. Herren has been with his firm since 1919 and started his career with the Ohio Inspection Bureau in Columbus in 1910. He was later with the Missouri Actuarial Bureau and the Missouri Inspection Bureau of St. Louis.

He has been a trustee of the Cleveland Board for four years and vice-president for the past two years. Mr. Herren is also a past president of the Insurance Society of Cleveland and formerly conducted its fire course.

meeting of the Insurance Women's association in Sioux City, Ia. Miss Doris Mundt was in charge.

To Discuss Farm Tenancy

F. K. Hawley of Laurens, Ia., past president of the Iowa Association of Mutual Insurance Associations, will lead a discussion on "The Effect of Farm Tenancy on Mutual Insurance" at the annual Iowa Institute of Cooperation in Des Moines, Feb. 23.

McGregor Heads Agency

Don McGregor, formerly vice-president of G. A. Holland & Co., Des Moines, has purchased the principal interest in the firm, and becomes president. In the re-organization following the death of G. A. Holland, P. E. Taylor was slated to continue as secretary and Dan McEniry as office broker.

Ellis Celebrates Anniversary

L. E. Ellis, 64, head of L. E. Ellis & Co., Des Moines, celebrated his 42nd anniversary in the insurance business.

and its location in the south center of the state, easily accessible by rail, airlines and fine highways, it is expected the attendance will set a new record. The San Antonio exchange, through Secretary F. F. Ludolph, is already laying plans for the entertainment of the visitors and for bringing out the biggest possible crowd.

Gosling General Chairman

Lytle W. Gosling of San Antonio, vice-president of the Texas association, has been selected as general chairman on arrangements for the convention, and C. F. Dieter, president of the San Antonio Insurance Exchange, has been named vice-chairman.

New Rules Made in Kentucky

Director Goodpaster Issues Edicts on Non-Resident Agents and Brokers—Must Have Kentuckian's Signature

Director Goodpaster of Kentucky has issued two rules concerning non-resident agents and brokers writing business on property owned and located in the state. The regulations also cover poli-

cies issued by non-residents on property in Kentucky owned by non-residents.

The rules are:

"1. Policies covering property owned and located in this commonwealth must be written and countersigned by a duly licensed resident local agent, as defined by Sections 762a-14, and 762a-20, Kentucky statutes, and under no circumstances may the commission arising from such business be divided with a non-resident agent or broker. (Section 762a-19, Kentucky statutes).

"2. Policies covering property owned by a non-resident and located in Kentucky may be written by a non-resident agent or broker, but the policies so written must be countersigned by a duly licensed resident local agent and the commission arising therefrom may be divided with the countersigning agent. (Section 762a-19, Kentucky statutes.)"

Louisiana Committees Named

W. E. Leigh of Monroe, La., has been appointed chairman of the general arrangement committee for the annual meeting of the Louisiana Insurance Society to be held in the Hotel Frances in that city April 29-30. His associates are W. F. Taylor and M. W. Sykes. R. N. Slater is chairman of the regis-

First Bancredit Corporation

"Simplified Plan"

OF INSURANCE PREMIUM FINANCING

6% Simple Interest on Reducing Balances

A NATION-WIDE SERVICE

AGENTS AND BROKERS—CONSULT OUR
NEAREST OFFICE FOR PARTICULARS:

Offices

ATLANTA, GA.
Ten Pryor Street Building
BOSTON, MASS.
89 Broad Street
BUFFALO, N. Y.
Genesee Building
CHICAGO, ILL.
Insurance Exchange Building
CINCINNATI, OHIO
Chamber of Commerce Building
CLEVELAND, OHIO
National City Bank Building
DALLAS, TEXAS
Gulf States Building
DETROIT, MICH.
Penobscot Building
HOUSTON, TEXAS
Shell Building
INDIANAPOLIS, IND.
Electric Building

KANSAS CITY, MO.
Fidelity Bank Building
MILWAUKEE, WIS.
Century Building
NEW YORK CITY, N. Y.
100 William Street
NEWARK, N. J.
Essex Building
PHILADELPHIA, PA.
Drexel Building
PITTSBURGH, PA.
Commonwealth Building
ST. LOUIS, MO.
Missouri Pacific Annex
ST. PAUL, MINN.
First National Bank Building
SAN FRANCISCO, CALIF.
Insurance Exchange Building
TULSA, OKLA.
Public Service Building

IN THE SOUTHERN STATES

Protest Group Auto Cover

Texas Insurance Agents Rap Plan of Adjustment Bureau—Date for State Convention Changed

AUSTIN, Feb. 17.—A joint meeting of the directors and legislative committee of the Texas Association of Insurance Agents was held to consider many insurance bills before the legislature. The meeting went on record with a protest to the Fire Companies Adjustment Bureau on its arrangement to cover all automobiles owned by their adjusters under a blanket automobile policy, arranged through its New York office,

under which individual policies written by local agents are to be dropped at expiration.

The board also changed the date for the annual convention of the Texas association from May 20-21 to May 27-28. This was made in order to have F. S. Dauwalter, director Business Development Office, appear on the program. He will attend the convention of the American Association of Insurance General Agents, which will be held in Denver May 24-25 and will come directly to the Texas association convention, which will be held in San Antonio.

A pre-convention session will be held a day earlier for local exchange officers. With San Antonio at its best in May

tration committee; J. E. Godfrey, reception; George Trousdale, entertainment; Richard Downs, hotel, and Mrs. W. E. Leigh, ladies entertainment. Mrs. M. W. Sykes is vice-chairman of the ladies' entertainment committee.

Florida Body Active

JACKSONVILLE, FLA., Feb. 17.—The 430 agents now members of the Florida Insurance Agents Association represent 80 percent of the active agents in the state, Secretary A. C. Eifler reports. Florida is eighth in the National association membership. The 1937 convention will be held in Jacksonville, March 18-19. F. S. Dauwalter of the Business Development Office will speak.

General Agency Field Changes

T. E. Todd, experienced field man, becomes special agent of the Quirk & McAllister general agency, San Antonio, for Houston territory.

J. C. Carlton, former special agent Texas General Agency Company, of San Antonio, is now with the W. L. Dinn & Co. agency, Corpus Christi, Tex.

Start Florida Meetings

The educational campaign of the central Florida committee of the Business Development Office has been launched with meetings in Orlando and Lakeland with over 50 percent attending. Chairman S. E. Myrick presided at both sessions. Vice-Chairman Quinlan Adams spoke on mutual competition at both meetings. President L. P. McCord and Secretary A. C. Eifler of the Florida Insurance Agents Association were present.

Other speakers at both meetings were Tom Lippett, special agent Royal, on reciprocal competition; Mitchell Stallings, Tampa agent, on the meaning of security of indemnities; Mr. McCord, on education and publicity in combatting non-stock competition; E. D. Shane, Atlanta, special executive of the Royal-

Liverpool group, on production of stock insurance. Afternoons were given over to open forums.

Dallas Conditions Satisfactory

The N.F.P.A. engineers met with the Dallas fire prevention council. The losses for last year are likely to be about \$560,000 or slightly higher than 1935. Local conditions were found thoroughly satisfactory except for lack of enforcement of the building code.

Memphis Residences Inspected

At Memphis a successful city wide campaign has been carried on in which over 62,000 residences and places of business were inspected last year.

Birmingham Shingle Roofs

N.F.P.A. engineers report that the Birmingham city commissioners have resisted several attempts on part of wooden shingle interests to repeal the ordinance prohibiting combustible roofs in the city. As high as 2,004 shingle roof fires in one year or two-thirds of all the runs have been due to sparks on wood shingle roofs prior to the adoption of the ordinance in 1924. The operation of this ordinance has reduced these runs more than 85 percent.

Neely Succeeds Galbreath

AUSTIN, TEX., Feb. 17.—Scott Galbreath, Jr., for years with the Texas fire insurance department, has resigned and Ralph Neely of the Fort Worth office has been transferred here to succeed him. Mr. Galbreath is now connected with the F. W. Offenhauser & Co. agency at Texarkana.

Complains of Charges

BIRMINGHAM, ALA., Feb. 17.—Complaint has been filed with the Alabama Public Service Commission against the policy of the Birmingham Water Works Company in making a service

charge for automatic sprinkler installations. The complaint was filed by T. K. Byrne, vice-president and secretary of the Birmingham Fire, who said the sprinkler system is installed by the property owner at his own cost for protection and that its use saves the water works company large quantities of water. The company charges 8.5 cents for each head in the sprinkler system and makes a service charge of \$25.50 a year.

Texas Conferences End

The regional conferences of the Texas Association of Insurance Agents have been completed. The last two were held at San Angelo and El Paso. Gordon Kenley of San Angelo was named regional vice-president of district No. 9 and D. P. English of Wink was named district No. 6 vice-president.

Get the Central Fire

Godchaux & Mayer of New Orleans have been appointed general agents of the Central Fire of Baltimore for Louisiana, Mississippi and Alabama.

Revamp Oklahoma County Cover

OKLAHOMA CITY, Feb. 17.—Insurance covering county property will be thoroughly overhauled following occupancy early in April of the new courthouse in the civic center. It will be written on blanket form, divided among several Oklahoma City agencies. Total

coverage is expected to be around \$1,000,000. Insurance which has been in effect during construction of the new courthouse, jail and other structures is expected to be replaced and the rates greatly reduced.

Agents will be invited to make a study of the insurance needs of the county and propose a flat rate.

Change General Agency Status

The general agency of Gordon, Brown & Carter, at Richmond, Va., representatives for the London Assurance, Eagle, Star & British Dominions and several other companies for Virginia and North Carolina, has relinquished its charter and is now conducted by B. P. Carter, operating as Gordon, Brown & Carter. Mr. Carter was president and treasurer of the incorporated firm.

Tinnin to Hardware Mutuals

Jack Tinnin of Little Rock, Ark., has become assistant engineer with the southwestern division of the Federal Hardware & Implement Mutuals at Dallas. He has been one of Little Rock's leading amateur golfers for several years and runner-up in the state tournament last season.

B. A. Gilbert and Miss Margaret Stoltenfogh, who have been with the W. L. Dinn & Co. agency, Corpus Christi, Tex., have bought the Bruce Hanna agency of that city and will operate it as Gilbert & Stoltenfogh.

PACIFIC COAST AND MOUNTAIN

Peterson Joins Owen Company

Well Known Field Man of the Home Will Devote His Time to Adjusting

C. M. Peterson, who for the last 13 years has been special agent and adjuster for the Home of New York in Oregon, has joined Roy F. Owen Company, independent adjusters in the Spalding building at Portland, Ore. Before going with the Home, Mr. Peterson was state agent and adjuster for the Twin City Fire in Montana. He is 52 years of age and has had a wealth of experience. He is well known throughout the entire Pacific coast.

To Give Fire Service

Mr. Owen has made a success in his work. He started in the office of Frank Allyn, Inc., in 1925. In 1927 he was made Oregon manager, having charge of all offices in the state which consisted of Portland, Eugene and Medford. In 1932 he went with the bureau as superintendent of automobile casualty and all risk departments. In April of last year he resigned again to enter the adjustment field under his own name. Heretofore the Owen organization has specialized on automobile casualty and inland marine losses. The office has two attorneys. With Mr. Peterson coming with the Owen people, the company will now be able to give experienced service in fire and allied lines.

Women Conduct Fire Class

SAN FRANCISCO, Feb. 17.—Classes in fire insurance are being held every Tuesday evening from 5:15 to 7 p. m. by the Insurance Women's League of San Francisco. J. H. Martin of the Standard Forms Bureau, who for many years has been prominent in education work with the Fire Underwriters Association of the Pacific, is in charge of these classes for January, February and March. Audri C. Ursin, past president of the league, chairman of the educational committee, is in charge of the course.

The league regular monthly meeting was addressed by J. B. Cress, field representative of the social security board. Ten new members were initiated.

Adjusting Staff Is Expanded

Fire Companies Bureau Makes New Appointments in Its Pacific Coast Department

SAN FRANCISCO, Feb. 17.—Several additions to the staff of the Pacific department of the Fire Companies Adjusting Bureau are announced.

W. F. Bartlett, with the Underwriters Adjusting of Chicago more than 13 years and for some time manager of its Grand Rapids, Mich., branch, is joining the San Francisco office.

Hill Sheperd, who has had 24 years' experience in local agency, general agency and independent adjusting, joins the Salt Lake City branch. He has been for some time with the southwestern department office at Dallas and was formerly an independent adjuster at Shreveport, La.

L. E. White, resident adjuster at Tucson, Ariz., has been named branch manager and F. C. Jones, formerly with the Globe Indemnity, has been added to the Tucson staff, in charge of automobile and miscellaneous losses.

L. E. Huber rejoins the bureau at Phoenix, Ariz., and Al Stroth, Fire Association loss manager in San Francisco for nine years, has joined the San Diego office.

Other recent additions for automobile, special risks and miscellaneous work include R. A. Bradley and F. J. Friday, Los Angeles; L. E. Huber, Phoenix; F. C. Jones, Tucson; F. W. Cleary, Oakland; R. E. Douglas, Reno; C. D. Cullen, Fresno; H. N. Dempsey, Tacoma; F. W. Morshead, Sacramento; F. J. Feeney, Stockton; M. M. Custer, Spokane; M. W. Bohall, San Jose; John Latta, Portland; A. B. Taylor, Seattle, and J. D. Blasen, Portland.

California Legislative Probe

The appointment of an assembly governmental investigation committee by the California legislature was voted and also the naming of W. H. Neblett as special counsel for the committee to look into the insurance commissioner's office. Commissioner Carpenter was subpoenaed to testify before the committee this week. Considerable indignation developed over the entire matter, both in insurance circles and otherwise.

J. M. B. PETRIKIN
Vice-President
G. N. GARDNER
Vice-President

J. R. GARDNER
President

D. A. HOLADAY
Treasurer
HAZEL O'NEILL
Secretary

J. E. Hanowell, State Agent for Ohio and Kentucky, 20 East Broad Street, Columbus, Ohio

Thirty-third Annual Statement

THE MERCHANTS FIRE INSURANCE COMPANY

Denver, Colorado

DECEMBER 31, 1936

ASSETS

Cash in Banks and Office.....	\$ 102,360.20
Bonds—	
U. S. Government—	
Direct and Fully Guaranteed.....	\$ 320,862.00
State	63,570.00
Municipal and School	1,471,384.00
Real Estate	17,840.00
Total Bonds	1,873,656.00
First Mortgage Loans on Real Estate.....	169,004.24
Accrued Interest on Bonds and Loans.....	13,102.54
Agents Balances and Accounts.....	194,028.42
Real Estate	27,964.36
	\$2,380,115.76

LIABILITIES

Reinsurance Balances	\$ 36,364.56
Loss Claims in Process of Adjustment (Less—	
Losses Reinsured \$27,162.21)	75,801.26
Accrued Taxes and Expenses.....	49,498.37
Reserve for Unearned Premiums.....	974,045.13
Reserve for Possible Loss on Real Estate	
Loans and Accounts	8,004.80
Voluntary Reserve	60,000.00
Capital Stock	400,000.00
Surplus	\$ 796,156.28
Less Assets not admitted	19,754.64
	\$776,401.64
	\$2,380,115.76

POLICY HOLDERS' SURPLUS \$1,176,401.64

	1935	1936	Increase
Reserve for Unearned			
Premiums	\$ 903,474.90	\$ 974,045.13	\$ 70,570.23
Net Premium Income.....	847,227.92	899,162.16	51,934.24
Surplus	710,439.96	776,401.64	65,961.68
Assets	2,241,813.12	2,380,115.76	138,302.64

There was particular protest over the appointment of Mr. Neblett as attorney as he was an intervenor at the time the rehabilitation of the Pacific Mutual was before the court in Los Angeles and it is known that he antagonized the so-called Carpenter plan for rehabilitation. As a result of these protests and the committee's decision not to go into the Pacific Mutual case, Mr. Neblett resigned and returned to Los Angeles.

Apperson Heads Oregon Mutual

McMINVILLE, ORE., Feb. 17.—E. C. Apperson, manager of the McMinville branch of the United States National Bank, has been elected president of the Oregon Mutual Fire, succeeding the late William Haggerty. He has been a director since 1888 and treasurer since 1902. Gordon Baker was elected executive vice-president and a director, and C. K. Knickerbocker, treasurer.

Robertson Guest of Seattle Pond

SEATTLE, WASH., Feb. 17.—Gander R. R. Robertson of the San Francisco pond was the guest of honor at the

regular meeting of Seattle Pond of Blue Goose.

Guider Heads Claim Department

R. M. Guider has been appointed to take charge of the new claim department which Gould & Gould, Pacific Northwest general agents, have opened in Portland, Ore. The firm also maintains offices at Seattle and Spokane.

Miller Breakfast Club Speaker

Lowell Miller, Hartford Accident, was the principal speaker at the Insurance Men's Breakfast Club of Portland, Ore.

Coast Notes

Sherwood & Roberts, Walla Walla, Wash., have purchased the Wilson & Wilson agency.

J. W. Montgomery, manager of Childs, Hicks & Montgomery, Los Angeles, died of bronchial pneumonia. He was 87 years old and went to Los Angeles in 1887.

T. W. Breer, manager of the Pacific Coast Fire of Vancouver, B. C., visited Los Angeles on a business trip to southern California.

EASTERN STATES ACTIVITIES

Church Named as Head of Massachusetts Federation

F. C. Church, Jr., of Boit, Dalton, Church & Hamilton, Boston agents, has been elected president of the Massachusetts Insurance Federation. General Counsel J. W. Downs reviewed the insurance situation in Massachusetts. He reported that there are nine state fund bills already introduced, two on accident and health, four on automobile liability and three on workmen's compensation. He said that the outlook is not particularly propitious.

Mr. Downs was presented a marine clock in appreciation of his 20 years' service as counsel of the federation.

President Church was emphatic in stating that the direct writing mutuals constitute the real threat to stock company men. "If they have a place in the business, we have fallen down," said Mr. Church. "They have grown up because there was a place for them. If we are to beat them we must fill in that place and justify ourselves." The speaker expressed his own personal belief in the retrospective rating plan as the solution of many difficulties.

Mary A. Blackburn, Boston, was re-elected secretary-treasurer. Vice-presidents are H. W. Bates, R. H. Bullock, C. C. Parker, Worcester; E. J. Cole, Fall River; H. A. Field, Springfield; H. A. Gallup, North Adams; J. H. Leighton, Lowell; H. G. Noble, Westfield; J. G. Page and N. H. Seldon, Haverhill; O.

P. Richardson, Attleboro; W. S. Shaw, Brockton; G. L. Taylor, Great Barrington; G. A. Underwood, Gardner; J. J. Cornish, T. R. P. Gibb, Jesse Harding, W. R. Hedge, W. C. Hill, C. E. Hodges, Jr., R. A. Hogsett, H. A. McKenna, H. E. Moore, L. W. Moore, T. S. Prouty, J. P. Parker, H. A. Sawyer, and J. L. Whitlock, Boston.

Mutuals on Buffalo Loss

Losses as result of fire to the Baker department store at Buffalo amount to about \$135,000. The Federal Hardware & Implement Mutuals must pay about \$30,000, Improved Risk Mutuals about \$45,000 and Metropolitan Inter-Insurers of New York about \$57,000.

Schenectady's Improvements

Since a visit of the National Fire Protection Association engineers at Schenectady, N. Y., in December, action has been taken to correct the unsatisfactory fire defense conditions. A second deputy chief has been appointed and arrangements have been made to establish a drill school and adequate fire department rules and regulations. A committee has been appointed by the city manager to draft a new building code.

New York Agents' Annual

The New York State Association of Local Agents is scheduled to meet in Syracuse May 24-25 for its annual meeting.

IN THE CANADIAN FIELD

Would Allow Farm Mutuals to Make Smaller Deposit

OTTAWA, ONT., Feb. 17.—The Dominion government is seeking to restore the former provision in the insurance act, dropped when it was amended in 1932, which would allow provincially incorporated companies, transacting business only in a single province, to put up a smaller deposit than the minimum of \$50,000 provided in the act.

It is intended particularly to give relief to small farmers mutuals in Nova Scotia. That province has made necessary the taking out of a Dominion license for any company doing business in the province. The \$50,000 deposit is obviously too large for such companies. The old provision enables the treasurer's board to set an adequate amount and it is now sought to restore that clause. It would affect only the Nova Scotia mutuals, as none of the

other provinces requires Dominion licenses for this class of companies.

Holroyde Is Inspector

TORONTO, Feb. 17.—H. O. Holroyde, who has been with the Canadian head office of the Great American group for eight years, has been appointed inspector for Ontario. He will be associated with G. E. Howe, superintendent of agencies.

Slater to Mill Owners Mutual

The Mill Owners Mutual Fire of Iowa, with Canadian head office in Hamilton, Ont., has appointed S. J. Slater inspector in charge of western Ontario business. He has been with the Hartford in Toronto for 15 years.

The arson bureau of the Los Angeles fire department investigated 1,352 fires during 1936, of which it was found 65 were of incendiary origin.

Sound Insurance Effected At Home

is your own and your clients' best safeguard in the present period of uncertainty.

The A. I. U. has unique experience and facilities for the underwriting of risks located in every part of the world. When insuring your clients' foreign risks, therefore, why not consult us? Our facilities include low-cost comprehensive policies in first-class American companies, affiliations and connections in all countries, the prompt and efficient servicing of claims and an internationally trained staff of insurance experts who are closely in touch with the latest developments everywhere.



Except United States and Canada.

The rapid increase in our clients is the best testimony of the service we render to brokers in the Home-Foreign field.

AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

111 John Street

BEekman 3-7730

New York

FIRE

LIFE

CASUALTY

MARINE



Financial Statement

as of December 31, 1936

ASSETS

U. S. Government Bonds	Market	\$1,150,920.85
All Other Bonds	Value	2,167,273.69
Stocks	Dec. 31, 1936	1,909,718.78
Cash		334,037.26
Mortgage Loans		Nil
Real Estate		Nil
Premiums		409,593.25
Accrued Interest		33,574.73
TOTAL ASSETS		\$6,005,118.56

LIABILITIES

Reserve for Unearned Premiums	\$2,237,970.03
Reserve for Losses in Course of Adjustment	177,002.38
Reserve for Taxes	69,862.58
Reserve for Market Value of Securities over Book Value	379,159.16
Reserve for Other Contingencies	126,425.54
CAPITAL	1,250,000.00
SURPLUS	1,764,698.87
TOTAL LIABILITIES	\$6,005,118.56

PACIFIC NATIONAL FIRE INSURANCE COMPANY

Home Office, SAN FRANCISCO

Eastern Department
Independence Bldg., Philadelphia
W. A. WATERS, Assistant-Secretary
Other Offices: Chicago • Atlanta
Los Angeles • Seattle • Portland, Ore.

MARINE INSURANCE NEWS

A. B. Knowles Heads Marine Board of San Francisco

SAN FRANCISCO, Feb. 17.—A. B. Knowles, general agent of the Fonciere, was elected president of the Board of Marine Underwriters of San Francisco, at the annual meeting. H. J. McCauley, North America, and J. Waddington were elected vice-president and secretary-treasurer, respectively.

Directors in addition to the offices are J. A. Livingston, Mathews & Livingston; George Jordan, Fireman's Fund; G. H. Ismon, Norwich Union; W. J. Jansen, E. C. Evans & Sons, and E. L. Barry, Parrott & Co.

The board maintains a staff of marine surveyors at each of its branches in Los Angeles, Portland, Seattle and Vancouver. B. C. D. C. Young is chief surveyor, located in San Francisco.

H. J. Thacher, Jr., Transferred

H. J. Thacher, Jr., of the San Francisco office of the Marine Office of America has been transferred to Stockton, Cal., as special agent.

Speaks on Jewelers' Block

E. Dana Johnson, manager of the Atlanta office of Wm. H. McGee & Co., well-known marine underwriters, Feb. 15 repeated his last year's lecture on jewelers' block insurance to the Insurance Institute students of that city. He laid particular stress on the moral hazard of a risk otherwise qualifying for the coverage, and stated: "Obviously it is a form of insurance that should not be solicited promiscuously."

He also mentioned that there are not more than about 80 jewelers in six states of the southeast that are satisfactory

for block insurance. Therefore, it is unnecessary for an agent or solicitor to have more than a general knowledge of the coverage with such limited prospects. He mentioned that it is the marine underwriter's duty to furnish the technical knowledge.

Chicago Branch Opened

A Chicago branch office has been opened by the Marine Survey & Adjustment Co. of New York. R. A. Cousins and L. M. Fellows are in charge. The office will handle inspection of hulls, surveys of hull and cargo damage and investigation and adjustment of inland marine claims. Mr. Cousins is a graduate of Massachusetts Nautical Academy and for 13 years was an official of the Isthmian Steamship Company. Mr. Fellows also was connected with that company and for the last seven years has been in marine survey work.

MOTOR

Flood Loss Work Is Slow

Estimates of Cars Damaged Are Lacking as Yet—Believed Not Especially Severe

NEW YORK, Feb. 17.—The casualty department of the Fire Companies Adjustment Bureau has had some 70 automobile losses to handle in the section of West Virginia under its jurisdiction, and while none has been disposed of thus far, it is anticipated the claims will not be so severe as was expected. Through the Huntington area, it is reported, nearly 2,000 cars were caught in the

flood. The number covered by insurance will not be known until all returns are in, and these are coming slowly.

Most financed cars are insured under the comprehensive contract, though here and there in certain localities financing institutions accepted the standard form, which excluded the flood hazard, while others required the valued form. If the experience of companies in the floods in the east last spring is a criterion, losses will range from \$80 to \$125 each, with an occasional up to \$300 or more. Garage owners along the line of the floods in West Virginia, as a rule, anticipated the high water and rushed all cars to high points.

Finlayson Tells Canadian Rankin-Benedict Problem

(CONTINUED FROM PAGE 4)

of attorney or filed any other form of application. The department then made the requirement as a condition of renewal of license on March 31, 1936, that powers of attorney should be obtained from all outstanding policyholders. The exchange also furnished an undertaking that no policies would thereafter be issued in Canada without power of attorney being executed.

As of Dec. 31, 1935, the liabilities in Canada of Manufacturing Lumbermen's Underwriters amounted to \$83,489. The market value of its Canadian deposit was \$163,000. The liabilities in Canada amounted to less than 6 percent of the total liabilities of the exchange. Accordingly, of the Canadian deposit, less than 6 percent or about \$10,000, would be available for the protection of Canadian policyholders. This would indicate that Canadian assured might be better off by relying entirely on the general assets of the exchange.

Tells of Reciprocity's Deposits

Mr. Finlayson gives a list of the reciprocals that maintain their deposits in Canada for the protection of policyholders outside of, as well as within Canada. In addition to this list of seven reciprocals, the factory mutual companies are on that basis. They are the only mutuals that do not maintain their Canadian deposits for the exclusive protection of Canadian policyholders. The reciprocals, whose Canadian deposit is not earmarked for the benefit exclusively of Canadian policyholders, are:

American Exchange Underwriters, New York.

Canners Exchange Subscribers at Warner Insurance Bureau, Chicago.

Inter-Insurers Exchange, Kansas City. Lumbermen's Underwriting Alliance, Kansas City.

Tornado Inter-Insurance Exchange, Duluth.

Underwriters Exchange, Kansas City. Warner Reciprocal Insurers, Chicago.

"All other foreign fire insurance companies, including purely mutual companies, and all other insurance exchanges maintain their deposits solely for the protection of Canadian policyholders," he stated.

KANSAS CITY HEARING THURSDAY

KANSAS CITY, Feb. 17.—Circuit Judge Ridge has set tomorrow for hearing on its merits the matter of Superintendent O'Malley against Atlas Mutual and Equitable Fire Underwriters, Rankin-Benedict concerns. Mr. O'Malley Feb. 10 was granted a temporary restraining order and placed in charge of the companies as agent.

Ex-Governor Guy B. Park, who, with J. F. Allebach, represents Mr. O'Malley in the litigation, secured permission of the court to amend his petitions to include the charge that the Equitable did not have a proper guaranty fund.

Attorneys for Rankin-Benedict interests, John Madden and Daniel V. Howell, today filed a general denial of all the charges contained in the petitions filed in the same court Feb. 10 by Superintendent O'Malley. In the petitions O'Malley asked to be placed in charge

of Atlas Mutual and Equitable Fire Underwriters so that he might liquidate them.

Rankin-Benedict attorneys are expected to argue that the reinsurance agreement of Atlas with Equitable provided that Atlas take over all unexpired risks and carry them to maturity. Any Equitable assets remaining after losses and expenses incident to carrying the reinsured risks to maturity were to be returned to subscribers at Equitable.

In order to set up a guaranty fund, it is pointed out, Rankin-Benedict Underwriting Company and Rankin-Benedict Company, as trustees, took a commission in the amount of \$101,000, and put it up as the guaranty fund back of Atlas risks, so that there was as much behind the insurance as before, and the \$101,000 protected the same policies.

Mr. O'Malley charged that Equitable didn't discontinue issuing policies though reinsured by Atlas, and that this was in order that Equitable might issue policies in states where Atlas was not entered. It is pointed out that such policies were completely and automatically reinsured in the Atlas.

Equitable is understood to have had \$64,000 outstanding in premiums when it was reinsured in November, 1935.

U. S. Chamber Asks Tax Adjustments

(CONTINUED FROM PAGE 6)

larger sum for his insurance, or else carries a smaller amount because of the increased cost.

"Insurance providing those protected with means to carry on in time of adversity is distinctly in the public interest, and there is reason for the state and local governments to encourage this. Those who carry insurance, of course, as citizens pay all the taxes that non-policyholder citizens pay. Legislators may well be asked to consider whether singling out insurance for more and heavier tax burdens can be reconciled with the public interest."

Social Security Noted

The national chamber points out that of recent months there has been great emphasis on social security, this interest being motivated by a desire to better the lot of the worker and provide security from economic loss because of age, unemployment and other contingencies. Legislators are attempting by law to promote welfare safeguards for employees in industry, which is a worthy object.

"To many, however," the national chamber says, "it seems inconsistent that voluntary individual effort to provide, through insurance, security against contingencies should at the same time be subjected to new burdens. A very small part of the insurance taxes collected is used for the particular benefit of policyholders, the major portion going into general revenue. There is every reason to shape tax programs to avoid penalty or unfair discrimination against those who have the prudence and foresight, through insurance, to protect themselves, their families, their property and also the public itself against misfortune that may befall it."

Position Is Made Clear

The national chamber set forth its attitude toward insurance taxes by resolution in 1924 and has consistently recommended that special insurance taxes be reduced to eliminate sums collected for general revenue and to consist merely of funds for departmental supervision. It has continuously held since that time that insurance taxes are excessive and discriminatory. Its position was that there should be material reduction in amount of premium taxes collected; that in fire and casualty insurance, reinsurance and returned premiums, dividends to policyholders and losses should be deducted from gross premiums before the tax levy against premium income is made; that in life

(CONTINUED ON PAGE 32)

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The Travelers Insurance Company.
Equipped for investigations and adjustments Southeastern Texas.

HUBBARD, DYER & SORRELL
City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
Equipped for Investigation and Claims

COKE & COKE
First National Bank Building
Dallas, Texas
Henry C. Coke 1856-1933
Alexander B. Coke, Rosser J. Coke, Richard W. Coke, Henry C. Coke, Jr., Julian B. Martin, Thomas G. Murrain, John N. Jackson

TEXAS (Cont.)

SANER, SANER & JACK
Twentieth Floor Republic Bank Bldg.
R. E. Saner, Jno. C. Saner, Wm. H. Jack, Jr.
Equipped for Investigations, Adjustments, Trial of all Insurance Cases, State and Federal Courts.
DALLAS, TEXAS

Cantey, Hanger & McMahon
15th Floor Sinclair Building
FORT WORTH, TEXAS
Samuel B. Cantey (1883-1924), William A. Hanger, Mark Mahon, W. D. Smith, Samuel B. Cantey, Jr., Alfred McKnight, Willis A. Johnson, R. E. Hanger
Investigations, Adjustments, Trial All Cases

COLE, PATTERSON & COLE
Citizens State Bank Building
Houston, Texas
Robert L. Cole, Sr., Bennett B. Patterson, Robert L. Cole, Jr., Seymour Lieberman
J. W. McDaniels, Harold A. Thurew, R. E. Owens
Standard Accident Insurance Company of Detroit, Chicago Lloyds, United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

BOYLES & ATKINSON
First National Bank Building
Houston, Texas
Edward S. Boyles, Norman Atkinson, M. S. McCorquodale, E. F. Gibbons, Willard L. Russell

CRENSHAW & DUPREE
First National Bank Building
Lubbock, Texas
Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for Investigations—Adjustments—Settlement of claims in plains Country.

BIRKHEAD, BECKMANN, STANARD & VANCE
800-811 Gunter Building
San Antonio, Texas

MOURSUND, BALL, MOURSUND & BERGSTROM
613 Frost National Bank Building
San Antonio, Texas
Loyalty Group and others given on request.
Trial of all insurance cases, State and Federal Courts this territory.

JOHN McGLASSON
608-9 Amicable Building
Waco, Texas
Equipped for investigations, adjustment and settlement of claims and trial of cases in State and Federal Courts.

UTAH

Stewart, Stewart & Carter
1105 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

(Continued next page)

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

VIRGINIA

W. SHEPHERD DREWRY

241-244 Law Building
Norfolk, Virginia
Indemnity Insurance Co. of N. A., United States Fidelity and Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co.
Equipped for investigations, adjustments and trial of all insurance matters in State and Federal Courts.

T. RUSSELL CATHER

34 Rouss Ave.
Winchester, Virginia
New York Life, Maryland Casualty, American Surety Co.
Equipped for investigations, trial of all cases, State and Federal Courts and Commissions.

WASHINGTON

ALLEN, FROUDE & HILEN

Northern Life Tower
Seattle, Washington
U. S. F. & G., Northwestern Mutual Life Ins. Co. Others on request.

N. A. PEARSON

483-84 Fourth & Pike Bldg.
Seattle, Wash.
Associated Indemnity Corp., and London Guarantee & Accident Co.
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

ROBERTS AND SKEEL

Insurance Building
John W. Roberts W. B. McKelvy
E. L. Skeel Wm. Paul Uhlmann
Tom W. Holmes Harry Hoske, Jr.
Frank Hunter W. E. Evenson
Tyne H. Hollander Robert H. Grass
Laurence Booth, Jr.
SEATTLE

DANSON, LOWE & DANSON

Paulsen Bldg.
Spokane, Washington
Maryland Casualty Co., U. S. F. & G. Co., and others on request.
Investigations and trial of all insurance cases in state and federal court.

PEDIGO, WATSON & GOSE

218 First National Bank Bldg.
Walla Walla, Washington
American Automobile of St. Louis, Great Lakes Casualty Company of Detroit. Others on request.
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts, Northwestern Washington.

BONSTED & NICHOSON

Miller Building
Yakima, Washington
Loyalty Group, Pacific Indemnity, & others on request. Equipped for investigation and adjustments, trial of all insurance cases in federal and state courts.

WEST VIRGINIA

PAYNE, MINOR, RAY, MAIER & DAVIS

Kanawha Valley Building
Charleston, West Virginia
New York Casualty, American Surety, Zurich, American Motorist, Lumbermen's Mutual Casualty Co., and others on request.
Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

W. VIRGINIA (Cont.)

VINSON, THOMPSON, MEEK & SCHERR

First Huntington National Bank Building
Huntington, West Virginia
Hartford Indemnity, General Accident, U. S. F. & G., U. S. Guarantee (Chubb & Son), Inter-Ocean Casualty Company (General Counsel), and others on request.
Investigations, adjustments and trials—State and Federal Courts.

RUSSELL, HITESHEW & ADAMS

285½ Fourth Street, (Box 510)
Parkersburg, West Virginia
Employers' Group—The Fidelity & Casualty Company of New York—Glens Falls Indemnity and others furnished on request.
Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

NESBITT & NESBITT

888 Riley Law Building
Wheeling, W. Virginia
Maryland Casualty Co., Travelers, Fidelity & Deposit of Maryland.
Equipped for investigation and adjustment. Trial of insurance cases in all courts.

WISCONSIN

STREHLOW & CRANSTON

510 Northern Building
Green Bay, Wisconsin
Equipped for adjustments, investigations and trial of cases.

GRELLE & SCHLOTTHAUER

105 Monona Avenue
Madison, Wisconsin
Lumbermen's Mutual Casualty Co., Zurich, Pearl Assurance Co., Ltd.
Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.,
Warner Building
Milwaukee, Wisconsin

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin
Special attention to the Law of Fire Insurance

POWELL & SPROWLS

11 First National Bank Building
Superior, Wisconsin
NEW YORK CASUALTY COMPANY, AMERICAN SURETY COMPANY, MARYLAND CASUALTY COMPANY—others on request.
Equipped for investigations and adjustments and trial of all insurance cases.

WYOMING

JAMES A. GREENWOOD

Majestic Building
Cheyenne, Wyoming
Former Attorney General, State of Wyoming. Trial of all Insurance Cases in State and Federal Courts.

insurance, reinsurance, cash and applied dividends to policyholders, matured losses, endowments and cash surrender values should be deducted from gross premiums before the tax is applied against premiums, and that this method should be made uniform throughout the country.

In 1935 there was a sharp increase in the total amount of special insurance taxes collected by the state, the chamber's memorandum reports, a survey for the calendar year 1935 or fiscal year ending not later than June 30, 1936, showing \$98,645,501 was collected by all states, increase \$17,436,287, or 21 percent; whereas it was estimated increase in all state and local taxes was less than 5 percent.

Total expenditures of the state insurance departments aggregated only \$4,767,465 in 1935 or 9 percent increase over 1934. On the average only 4.83 cents of each dollar collected in premium tax in 1935 was spent for supervisory service to policyholders, the rest going to general fund.

Department Expenses Rise

Thirty-four states and the District of Columbia showed increase in total amount of insurance department expenses, three reported no change and 11 showed reduction. The ratio of insurance department expenses to insurance taxes collected showed that of 49 reporting departments 20 had increases, 27 decreases and two the same.

The chamber states undoubtedly there will be further attempts in the 43 state legislatures holding sessions this year to increase the burden of taxation upon insurance and legislators should bear in mind the fundamental fact regarding the state's interest in encouraging insurance and the unfairness to policyholders of imposing excessive burdens upon them. A tabulation by states of taxes, licenses and fees collected from insurance by state insurance departments and state treasurers or other officials in the calendar year 1935 or fiscal year ending not later than June 30, 1936, except in the case of Connecticut, with the ratio spent for service to policyholders is:

States	Taxes, Licenses and Fees Collected by*	State Insurance Department	State Treasurer or Other Official	Policyholders	Ratio spent for Service
Alabama	755,436	4,000†	2.54		
Arizona	138,885		3.49		
Arkansas	580,447	51,400	2.96		
California	167,555	6,617,930	2.18		
Colorado	756,261		3.69		
Connecticut	1,126,797	3,348,570‡	2.73		
Delaware	284,938		2.94		
Dist. of Col.	490,793		4.64		
Florida		895,168	3.46		
Georgia	940,798		2.69		
Idaho	296,010		3.65		
Illinois	7,710,201		6.03		
Indiana	200,167	1,828,762	3.77		
Iowa	163,957	1,626,136	2.46		
Kansas	1,009,849		3.80		
Kentucky	1,291,872		7.02		
Louisiana	876,260		2.85		
Maine	49,286	477,612	2.56		
Maryland	1,114,886		5.75		
Massachusetts	279,339	3,925,668	6.41		
Michigan	3,476,993		1.89		
Minnesota	142,168	1,765,593	2.47		
Mississippi	582,024		1.93		
Missouri	180,455	2,417,293	5.00		
Montana	292,377	24,499	5.63		
Nebraska	658,496	15,088	7.57		
Nevada	55,391		4.51		
New Hamp.	37,605	409,913	3.63		
New Jersey	397,383	4,017,823	15.28		
New Mexico	153,857		3.35		
New York	2,901,658	15,610,006	5.30		
No. Carolina	1,619,265		2.92		
No. Dakota	250,087	1,050	5.08		
Ohio	393,435	5,717,346	2.52		
Oklahoma	943,629		3.62		
Oregon	701,682		5.77		
Pennsylvania	538,869	5,960,699	4.49		
Rhode Island	28,613	631,421	3.38		
So. Carolina	748,962		2.14		
So. Dakota	34,944	260,591	6.83		
Tennessee	1,377,536		3.26		
Texas	2,469,821		11.22		
Utah	29,494	253,073	2.89		
Vermont	28,670	330,061	3.38		
Virginia	61,327	1,481,012	4.61		
Washington	1,404,720		5.98		
West Virginia	850,983		1.63		
Wisconsin	2,159,973		3.23		
Wyoming	137,528		7.27		

Totals—1935..	\$40,974,787	\$57,670,714	4.83
Totals—1934..	35,451,562	45,757,112	5.39
Totals—1933..	35,725,602	45,650,072	5.05
Totals—1932..	40,933,164	48,549,347	4.79
Totals—1930..	44,005,524	55,327,483	4.45
Totals—1929..	44,787,164	55,204,308	4.25
Totals—1928..	40,546,493	51,632,478	4.29
Totals—1927..	38,465,759	46,097,218	4.16
Totals—1931..	42,924,501	52,560,039	4.61
Totals—1926..	35,887,973	43,746,539	3.94
Totals—1925..	34,658,963	38,180,758	3.65
Totals—1924..	29,888,002	37,843,568	3.71

Totals—1923..	26,550,951	33,190,878	3.87
Totals—1922..	24,659,601	28,356,198	4.37

*It is estimated that over 90 percent of the special insurance taxes, licenses and fees collected comes from the premium tax alone.

†Estimated.
‡State treasurer collected Sept. 1, 1936, \$2,617,823 as a result of a new tax, effective Oct. 1, 1935, on premium income of domestic companies of 2 percent, and a tax on interest and dividends of 6½ percent. This tax repeals all other taxes assessed by the tax commissioner on these insurance companies.

Note—While the tabulation is complete insofar as insurance department expenses are concerned, it is important to note that in the case of some states all the taxes, licenses and fees are not included. As regards state levies, this is because part of them are paid to state treasurers and other officials whose books may be kept in such manner as to render it impossible to segregate the insurance data. As for the amounts collected by counties and municipalities, in those states permitting local jurisdictions to tax insurance companies and their agents, it was found no central state agency had compiled the information. Among the states where local taxes or fees were levied but the amounts were unavailable are Alabama, Florida, Georgia, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, Ohio, South Carolina, Washington, and West Virginia.

LEGISLATIVE DIGEST

(CONTINUED FROM PAGE 6)

tee. The committee changed the bill to allow insurance companies an offset up to the amount they pay as premium taxes. The original bill provided they must pay an income tax in addition to the premium tax. The senate has not yet acted on it.

Georgia—Four tax bills have been introduced: 1. Increases premium tax from 1½ percent to 2½ percent. 2. Creates a 2 percent sales tax on all insurance premiums. 3. Income tax not exempting insurance companies. 4. Provides income tax of 1 percent on the first \$2,000, 2 percent on the second \$2,000, 3 percent on the third \$2,000, 4 percent on the fourth \$2,000, 5 percent on the fifth \$2,000, and 6 percent on all net premiums in excess of \$10,000.

Texas—The Metcalf 2 percent additional premium tax bill providing for a firemen's pension fund, has been favorably reported. A similar bill was passed at the last session but was vetoed by Governor Allred who doubted its constitutionality. The new measure carries a clause which prohibits the companies from passing the tax on to the insuring public. It is generally accepted in legislative circles as certain to be enacted. The measure has been checked by the attorney general's department, it is said, and called constitutional in a conference opinion. The proposed tax would cost the companies \$439,768 annually.

AGENTS' LICENSES

Vermont—Bill provides for resident agents' licensing law with a written examination by new applicants with considerable authority given to the commissioner to determine the fitness of the applicant. Provision is made for licensing of non-resident brokers. Brokers formerly had to be residents of the state to secure licenses.

Montana—House bill requires that all insurance policies be countersigned by resident agent.

Colorado—The agency bill sponsored by the Colorado Association of Insurance Agents has been reported out of committee. It is accorded excellent chances of passage.

STATE FUNDS

Oregon—Senate tables bill providing for increasing the state restoration fund from \$25,000 to \$50,000 annually, and

Reduce Insurance Rates

Recommend
JUSTRITE OILY WASTE AND SAFETY CANS
Approved and Labeled by the Underwriters Laboratory and Associated Factories Mutual Insurance Co.
JUSTRITE MANUFACTURING COMPANY
207 SOUTHPORT AVE. CHICAGO, ILL.

authorizing the state board of control to purchase private insurance.

Texas—Favorable committee report given on Lanning house bill creating a state fund to write fire insurance on public school buildings. School districts would pay into a state fund the \$800,000 premiums they have been paying to private insurance companies for fire and storm coverage.

Massachusetts—At hearing on Southgate house bill, which would compel every fire company to incorporate in its bill for premium payments an itemized statement of all charges other than the basis rate, Secretary Sweetland of the New England Insurance Exchange declared such a plan was practically impossible. . . . Representative Reinstein argues for bill to prohibit a fire adjuster from soliciting a fire loss or appraisal before 8 a. m. and after 6 p. m. on week days and on no circumstances on Sundays or legal holidays. He said the measure had the approval of the insurance commissioner. It is directed at public adjusters.

National Union Wins Tilt with Tokio on Reinsurance

(CONTINUED FROM PAGE 10)

only the excess over and above \$100,000 by any one loss in and/or on any one building and its contents."

Two months later the "form" for the reinsurance policy was prepared. In preparing the form the brokers concluded that the risk assumed by National Union under the binder was unduly narrow and not worth the \$5,000 premium. They decided to submit a form broadening the risk, so as to make National Union liable for reinsurance except for the first \$100,000 on any one catastrophe. Accordingly, the words "in and/or on any one building and its contents" were omitted. The clause then read: "For the amount of the excess over and above the first \$100,000 due from the reinsured company in the case of each and every loss."

National Union Not Notified

Notice was not given to the National Union that a change in the terms was being proposed. An employee of National Union scanned the form and concluded that the words used were the equivalent of the words in the clause in the binder. He passed the form as satisfactory.

The court decided that the binder contained the terms of reinsurance agreed upon. When the brokers drafted a clause designed to broaden the risk, the departure was an important one. The meaning of the excess clause in the form was not so plain as to render incomprehensible the impression of National Union that the clause corresponded in substance with the clause in the agreement to reinsurance. National Union, having received no adequate notice that

a modification against its interests was being proposed, had the right to assume that the instrument submitted to it conformed to the agreement for reinsurance. It is a case where an important provision of the contract was omitted from the policy by mistake of the reinsurer brought about by conduct of the insured. There was no bad faith or desire to mislead on the part of Johnson & Higgins or of Tokio. The brokers intended to propose a modification but failed to give National Union adequate notice of their intention.

Organize Georgia Group

ATLANTA, Feb. 17.—The Fulton County Association of Fire & Casualty Agents was organized, the officers elected being: President, C. T. Ansley, vice-president, Mrs. Howard Pattillo and treasurer, J. E. McJenkin. A number of the members are not members of the Atlanta Association of Fire Insurance Agents and the new organization was planned to correct some practices of other agents, one being writing a master policy on property of Fulton county. Distribution of commissions did not include all agents who had previously written policies on the property. Another meeting will be held to perfect organization.

Metcalf Buys Memphis Agency

Robert Metcalf of Metcalf Brothers at Memphis has purchased the Guaranty Insurance Agency there representing the Columbia, Mercantile, and Transcontinental and New York Casualty. The agency was purchased from Mrs. Frank Hayden, widow of the former president of the Guaranty Mortgage & Trust Co., Memphis loan agent for the Prudential Life. Mr. Metcalf has become active vice-president of the Guaranty Mortgage & Trust Co. Both agencies will be operated as formerly with Walter Wills, Sr., as manager of the Guaranty agency. The Metcalf office now represents the Commercial Union of England, Phoenix of Hartford, New Hampshire, Employers Liability, American Surety. Louis Furbinger is manager of the insurance department.

Officials Touring South

William A. Waters, assistant secretary of the eastern department of the Pacific National Fire, Philadelphia, is touring the south calling on new agents with Special Agent John Holmes.

Howard C. Stocker, secretary of the Northern Assurance, New York, is touring his agencies in the south.

Open Office at Elmira

Under the management of G. M. Tomlinson, Appleton & Cox, New York marine underwriters, have opened a field office at Elmira, with jurisdiction over New York state.

MUTUAL FIRE REPORTS FOR 1936

	Cash Assets*	Unearned Prems.	Cash* Surplus	Cash Income	Net Losses Paid	Total Cash Income	Total Disb.
Abington Mut., Mass.	527,131	250,382	258,008	230,942	72,055	249,090	221,429
Alliance Co-Op., Kan.	378,203	191,135	184,198	130,552	61,381	148,139	112,413
Badger Mut., Wis.	1,095,734	259,380	795,848*	234,691	72,632	358,457	290,050
Carolina Mut., O.	585,509	100,194	467,729	161,547	22,831	186,530	153,570
Central Mft. Mut., O.	5,707,185	2,461,407	2,464,657	3,292,505	1,020,625	2,499,306	2,993,093
Cream City Mut., Wis.	411,048	74,396	324,725	66,923	27,564	85,867	70,847
Citizens' Mut., Wis.	92,311	23,624	60,000	30,056	17,201	40,748	37,467
Druggists Mut., Ia.	331,288	88,885	231,617	169,608	65,759	187,346	176,823
Farmers Mut., Ill.	456,578	167,493	261,200	376,458	256,681	467,056	396,552
Fidelity Mut., Ind.	401,630	173,983	205,566	224,871	78,677	238,035	211,540
Grain Dirs. Nat., Ind.	3,425,559	1,313,708	1,535,000	2,007,703	704,389	2,149,115	2,070,820
Grocers Cash Depo., Pa.	379,314*	38,340	335,920	76,315	11,473	106,842	87,552
Guarantee Mut., O.	404,200	216,317	155,529(a)	275,196	82,676	286,227	253,027
Hard. Dealers Mut. Fire, Wis.	6,657,467	3,121,091	2,894,211	4,156,955	1,144,547	4,389,342	3,704,210
Hartford County Mut., Conn.	3,799,719	276,807	2,602,173	191,042	91,885	321,906	196,121
Illinois Mut. Fire.	135,051	71,440	55,914	71,081	18,998	75,858	75,733
Indiana Lbr. Mut., Ind.	3,243,453	1,081,411	1,667,092	1,622,399	521,365	1,753,970	1,352,804
La. Mut. Tornado.	1,607,733	.....	1,642,690	798,901	760,876	862,576	1,002,211
Lumbermen's Mut., O.	2,711,592	1,415,699	.....	1,956,278	620,100	2,066,828	1,891,920
Merch. & Bus. Men's Mut., Pa.	1,430,418	246,584	1,321,228	367,236	71,741	673,745	550,454
Mer. & Mfrs. M., O.	355,066	109,217	230,720	133,997	59,316	145,350	138,417
Middlesex Mut., Conn.	2,700,192	243,620	2,237,174	167,704	76,350	298,959	187,155
Millers' Mut., Fire Ill.	2,844,074	1,023,839	1,508,694	1,738,445	528,994	1,858,567	1,732,222
Millers Mut., Pa.	1,820,137	358,690	1,128,548	646,473	182,897	729,464	667,060
Mill Owners Mut. Fire, Ia.	2,624,191	1,274,296	1,214,242	1,750,223	584,530	1,857,504	1,768,805
Minn. Farmers Mut.	807,788	123,279	553,644	736,299	341,416	749,897	650,889
Minster Mut., O.	56,958	45,960	28,256	56,287	17,641	60,191	54,543
Mut. Fire of Montgomery Co., Md.	1,243,616	153,270	1,085,128	219,290	67,656	284,720	157,681
National Mut., O.	409,671*	162,095	217,147	211,062	81,377	226,461	210,770
Ohio Mutual	496,454	69,022	41,882	83,956	19,417	100,725	92,889
Ohio Ind. Mut.	425,703	170,713	187,815	224,789	106,450	241,042	263,769
Paper Mill Mut., Mass.	743,571	286,009	448,270	347,622	38,911	390,267	349,533
Preferred Mut. of Champaign Co., N. Y.	1,110,386	363,079	740,528	412,664	156,367	447,938	371,868
Providence Mut., N. Y.	1,608,979	298,945	1,300,052	167,465	51,593	245,684	229,352
Quincy Mut. Mass.	2,816,833	974,270	1,800,000	838,618	256,344	931,926	757,406
Richland Co. Mut., O.	618,700	45,728	564,127	113,833	34,050	174,860	107,755
Salem Mut., Mass.	173,895	84,830	86,036	79,959	24,963	88,329	79,028
Security Mut., Minn.	162,907	41,747	92,528	86,250	31,481	92,490	82,019
Security Mut., N. Y.	73,200*	.....	73,081	106,147	50,897	110,957	98,405
Southern Mut., Ga.	1,981,123	185,200	1,689,482	370,400	89,992	469,346	448,242
Sun Mutual, O.	377,742	98,936	276,960	63,952	23,136	77,682	71,702
Town Mut. Dwell. Ia.	1,476,886	555,357	909,060*	540,767	243,576	601,194	542,527
Tri-State Grain Deal., Minn.	452,527	82,649	354,403	141,764	25,260	153,530	115,416
United Mut. Fire, Mass.	5,569,814	2,273,840	2,503,582	3,059,851	861,347	2,866,620	2,638,832
Utica Fire, N. Y.	309,088	169,042	118,986	197,588	85,641	211,526	189,590
West Bend Mut. Fire, Wis.	415,620	82,913	320,143	81,755	26,904	108,980	79,556
West. Mfrs. Mut., Mo.	969,153	490,031	384,834	768,867	257,631	830,714	794,768

*Does not include notes and policyholders' contingent liability.

†Market value \$471,600.

‡Securities at market.

(a) Does not include \$15,000 voluntary contingency reserve.

*Does not include \$63,179 real estate.

†Surplus includes voluntary reserves of \$55,000.

‡Admitted assets \$150,709.

*Includes \$200,000 general contingency reserve.

Recent Appointments Revive Photograph Racket Nuisance

NEW YORK, Feb. 17.—The number of new appointments in the insurance business which became effective around the first of the year has brought a resurgence of the photographic flim-flam game, which is an intermittent source of annoyance to trade periodicals and their subscribers. The system is for a photographer, usually operating under a name closely resembling some well known picture outfit, to call on a person about whom some news has just appeared, giving the impression that this photographer has been commissioned to get a picture for one of the insurance trade papers.

Sometimes the name of a specific

trade journal is used—without authorization of course—the man whose picture has been taken naturally wonders why the paper that went to so much trouble to get his picture never runs it in its news column. Once the pictures are taken and proofs submitted, the object is to sell them to the man for his personal use—which was the sole purpose in the first place.

Insurance journals do not make a practice of sending photographers around to make pictures without first getting the subject's authorization. So if one gets a call from an impressive-sounding photographic service, purporting to want to take his picture for this or that insurance magazine, it is a time-saving precaution to ask the exact name of the paper and the name of the editor requesting the picture and

HANOVER

ASSETS

United States Government Bonds (Direct & Guaranteed) \$ 2,473,506

Municipal Bonds 1,059,830

Railroad Bonds 1,228,210

Public Utility Bonds 1,345,076

Industrial and Miscellaneous Bonds 300,014

Stocks 10,987,809

*Total Bonds and Stocks \$16,494,445

Cash on Deposit and in Office 817,521

Real Estate and Mortgages 208,462

Agency Balances not over 90 days due 705,124

Bills Receivable, Accrued Interest and Other Assets 200,370

Total Admitted Assets \$18,425,922

LIABILITIES

Reserve for Unearned Premiums \$ 4,548,418

Losses in Process of Adjustment 507,903

Reserve for all other Liabilities 623,570

Capital \$4,000,000

Net Surplus 8,746,031

*Policy Holders' Surplus 12,746,031

Total \$18,425,922

Bonds and stocks valued on New York Insurance Dept. basis. On basis December 31, 1936, market quotations for all bonds and stocks, total admitted assets would be increased to \$18,831,882 and policyholders' surplus to \$13,151,991.

Securities carried at \$238,700 in the above statement are deposited for purposes required by law.

Net Surplus increased since January 1, 1936, \$1,895,000

\$4,000,000 CAPITAL JAN. 1, 1937

\$12,746,031 POLICYHOLDERS' SURPLUS

\$18,425,922 ASSETS

LOSSES PAID SINCE ORGANIZATION \$84,945,098

The HANOVER FIRE INSURANCE COMPANY of New York *Montgomery Clark, Pres.*

then check up by phone unless the subject has not had any pictures taken in a long time and is in the market for some.

Dallas Fair Insurance Placed; Setup Arranged

DALLAS, Feb. 17.—Seay & Hall and C. L. Dexter & Co. were the successful bidders for approximately \$3,000,000 fire and windstorm insurance to be placed for the Greater Texas & Pan-American Exposition here this year. The successful bidders obtained the business at tariff rates and will place it in the Franklin Fire through its general agents, T. A. Manning & Sons, Dallas. The Franklin will reinsure with the Texas companies having home offices in Dallas, so that the company setup is the same as that of the Texas 1936 Centennial. The advisory committee which established a new procedure in handling exposition insurance in connection with the Texas Centennial Exposition in Dallas has made its final report and will not handle the insurance for the Greater Texas and Pan American Exposition to be held in Dallas this year, according to E. C. Gambrell, chairman, who succeeded the late G. Mabry Seay in that position. The other local agents on the committee were George and Charles Dexter and W. R. Ellis.

The Cleveland exposition adopted the procedure of the Dallas group and inquiries have been received from the New York and San Francisco expositions. The 1937 exposition in Dallas has employed Dwight Sleeper, an independent insurance auditor, as supervisor of insurance.

Details of Plan

The Texas Centennial plan was to distribute the insurance among companies purchasing Centennial bonds, and further to distribute the commission, less 5 percent retained by the committee for expenses, ratably among local agencies who purchased bonds. The fire insurance commissioner of Texas approved the plan. The Franklin Fire, through its general agents, T. A. Manning & Sons, Dallas, wrote master policies covering fire, windstorm, and riot, civil commotion and explosion. The Franklin also agreed to reinsure an agreed percentage with the Gulf, the Trinity Universal, the Republic and the Commercial

Standard, of Dallas, all purchasers of Centennial bonds. This procedure reduced detail and provided automatic protection and afforded a broad form of coverage.

The property value of \$760,100 on Sept. 1, 1935, was steadily increased until on Oct. 31, 1936, when it was \$5,229,789. Of this amount 80 percent was insured against fire, riot, civil commotion and explosion and 50 percent against windstorm and hail. The severe windstorm last July caused a loss of \$24,650. The fire loss was very small, due to the thorough inspection of the premises and a fully equipped fire company on the grounds.

The emergency hospital on the Centennial grounds handled over 6,000 cases and the insurance division received one copy of the doctor's report of injury and treatment. These reports were classified as to workmen's compensation, public liability, concessions, exhibitors and exposition and were filed alphabetically and carefully checked as to insurance carrier. The special police, guards, and other employees were requested to make a report of all accidents to the emergency hospital, the result being that very few people were injured on the grounds without the knowledge of the insurance division. This information was especially valuable in checking against repetition of claims and received the approval of all insurance companies operating on the grounds. Every assistance was given the insurance companies in securing information regarding accidents and the claim division of the Maryland Casualty practically worked for the exposition and other insurance companies interested.

Kentucky Field Men Not to Make Block by Block Check

LOUISVILLE, Feb. 17.—In order to prevent duplication of effort and annoyance to the assured the Kentucky field men are not "annoying" agents or assured by personal inspections of flood damaged residence or business property, except at the request of the agent. The field men have offered the agents full cooperation, with their services made available when and where desired.

Many residents are replacing wrecked furniture and insurable values will not be much lower than they were, if any. In other cases pro rata cancellations will be made and unused premium returned where insured values are found to be uninsurable.

Many of the field men are being kept quite busy on requested cooperation and are making numerous inspections.

The Kentucky field men will thus not carry out the block by block inspections

Three Steps

1st—Find the prospect.
2nd—Sell the prospect.
3rd—Keep the customer satisfied. (We'll help.) As a matter-of-fact, we'll work with you on a cold canvass, by direct-mail or in any other way we can to help you find prospects. Our fieldmen will help you sell the prospect. The company will keep the customer satisfied by providing the proper coverages and paying losses promptly. All these services are yours to command--if you represent this company. Maybe you can. Write.

SINCE 1854

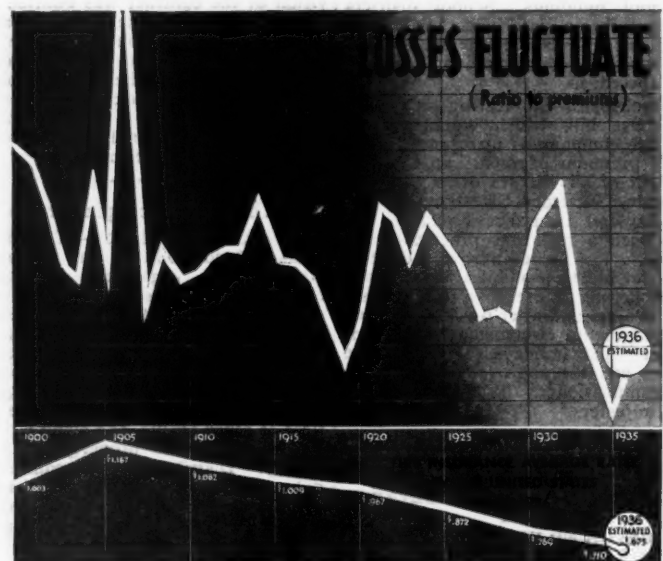
**THE PHOENIX
INSURANCE COMPANY
OF HARTFORD, CONNECTICUT**
Cash Capital, . . . \$6,000,000.00
Surplus to Policyholders, \$44,182,731.01

To Your

To your everlasting credit may it always be said that you looked before you leaped into an agency agreement. Investigate the companies you associate with as carefully as this company will investigate you if you express a desire to represent it.

SINCE 1850
**Connecticut
FIRE INSURANCE CO.
OF HARTFORD, CONNECTICUT**
Cash Capital, . . . \$2,000,000.00
Surplus to Policyholders, \$16,589,071.08

National Board "Ad" Effective



DESPITE FLUCTUATING FIRE LOSS RATIOS, OLD LINE CAPITAL STOCK COMPANY FIRE INSURANCE provides sound, known-cost indemnity...and at steadily decreasing costs!

Since 1900 there have been 100 conflagrations in the United States and Canada. Others are likely. Old Line Capital Stock Fire Insurance through cash capital, reserves and surpluses, provides not only for payment of normal losses, but also supplies the buffer to withstand the shock of catastrophes, while maintaining a definite cost to policyholders. By far the greater part of insured values is pro-



ected by this type of insurance. Stock company fire insurance rates have steadily decreased...from an average of \$1.17 per \$100 in 1905 to an estimated average of \$0.675 for 1936. Why risk wide changes in your insurance costs? Insist on Old Line Capital Stock Company fire insurance and be assured of sound protection at definite cost.

THE NATIONAL BOARD OF FIRE UNDERWRITERS
ESTABLISHED 1884
NEW YORK • CHICAGO • SAN FRANCISCO

Herewith is a reproduction of the advertisement and poster of the National Board that has been attracting much attention. It appeared in the February editions of several national publications and is being offered in poster size to

agents. It shows that although the fire loss ratio fluctuates from year to year, ever since 1905 there has been a steady reduction in the average fire insurance rate, the estimated 1936 average being a cut of 42 percent from that of 1905.

of flooded regions under the supervision of the Kentucky Actuarial Bureau that the field men in Indiana, Ohio and Tennessee are conducting.

Transfer Held "Colorable"

The Washington supreme court has upheld the contention of insurers that they are not liable to a property that was set on fire by the father of a woman to whom about a month previously the

father had deeded the property. The case was Lehman vs. Columbia Fire et al.

A few days before the fire the Detroit Fire & Marine discovered that the father had a fire record and canceled its policy. On Jan. 2, 1935, the father deeded the property to his daughter. Lehman set fire to the property Feb. 6.

The higher court held that it was satisfied from the evidence that the transfer of the property was colorable only; that it was made with the intent of firing the property and defrauding the insurers.

All the facts and circumstances surrounding the transfer and use of the property contradict the daughter's claim that there was a consideration for the deed.

Success

Success must come to any agent who works intelligently and who can command the facilities and offer the protection sold by this company.

SINCE 1859
**FOUTABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.**
Cash Capital, . . . \$1,000,000.00
Surplus to Policyholders, \$5,946,843.67

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Impartial Valuations of Industrial and Commercial Property... A quarter century of factual appraisal service to America's more conservative business institutions.
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RECOGNIZED AUTHORITIES ON PHYSICAL VALUES
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Casualty—Surety—Inland Marine—Fire
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General Service All Lines.

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Independent Adjusting and Inspection Office
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FACILITIES FOR SERVING THE ENTIRE
STATE WITH LEGALLY TRAINED ADJUSTERS.
SPECIALIZING IN ALL FORMS OF AUTO,
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The NATIONAL UNDERWRITER

February 18, 1937

CASUALTY AND SURETY SECTION

Page Thirty-seven

Automobile Topic Given Attention

R. Leighton Foster of Toronto
Comments on Some Policy Provisions

CHANGES BROUGHT ABOUT

Some Features Tend to Bring Unjust Burden on Companies Writing Automobile Policies

R. Leighton Foster of Toronto, former Ontario insurance superintendent and now general counsel of the Canadian Life Officers Association, spoke before the Toronto Lawyers Club on "Uniform Canadian Insurance Statutes," dealing largely with automobile insurance. He has been a profound student of automobile insurance and has spoken before the National Association of Insurance Commissioners a couple of times on this subject. He said today that in all the provinces of Canada except Quebec, in all the important fields of insurance contracts, i. e., life, fire, automobile and accident and sickness, the policy conditions are standardized and uniform legislation is in force.

Sees Important Departure

He dwelt on the distinct and important departures from traditional principles of contract and liability insurance embodied in the uniform legislation of the provinces today whereunder the insurance company under all circumstances is unconditionally liable to the innocent third-party victim of an accident where the negligence of the policyholder can be established.

"Guest" and "family" and "contributory negligence" claims drew strong censure. Pointing out that "the premium-paying motorist can't have his cake and eat it, and he can't ask the companies to pay claims on the broad coverage now required by law throughout Canada without either paying greatly increased premiums or cooperating with the law-makers to weed out the illegitimate 'guest' and 'family' and 'contributory negligence' claims which are today such a burden on the insurance claim fund," Mr. Foster proceeded to explain the law with reference to such claims and why the public interest demanded that insurance companies should be prohibited from paying them.

Comment on Family Claims

With respect to "family" claims he points out that the companies are prohibited by law from insuring under a motor vehicle liability policy the children, wife or husband, and, in addition, the mother, father, brother or sister of the policyholder. It is not open to a company to cover such members of the immediate family either by endorsement

(CONTINUED ON PAGE 55)

Massachusetts 'Medicine' Bitter Dose, Says Stone

The medicine is indeed worse than the disease, E. C. Stone, United States general manager and attorney, Employers group, stated in a talk on compulsory automobile liability insurance before the Insurance Club of Pittsburgh this week during Pittsburgh Insurance Day. While theoretically the compulsory law might seem to be a fine solution of the problem presented by uninsured cars involved in accidents, upon careful analysis of experience developed in Massachusetts, it would seem to be far from a complete and perfect solution, in no sense a safety measure, and gives rise to rackets and other situations.

Mr. Stone stated that a law such as the standard motor vehicle safety responsibility bill is one of the best practical ways to remedy the situation by means of legislation.

Three-Way Method Needed

"No matter how practical the method that legislative, constructive remedy is," he said, "it still must be combined with unceasing safety activity and an ever-continual, vigilant effort to do away with the commercialization which at the present day too much surrounds automobile accidents. If we are going to make any real progress in curing the evil, we must combine the legislative remedy mentioned with accident prevention work, which should be a community duty, and the claim prevention work which is going to do away with, or at least reduce, the number of fake, fraudulent and exaggerated claims. Only by a combination of all these three activities can any real progress be made to cure the evil."

Finds Dissatisfaction Everywhere

The general result of the whole Massachusetts experiment, he said, is that nobody is satisfied with the law. It was pioneer legislation, and since its adoption other states have introduced different methods of handling automobile insurance which it would be well to investigate. Mr. Stone said he would not hesitate to approve repeal of the Massachusetts act in its entirety if he felt assured some other method tried and found satisfactory in its protective features could be substituted, and he expressed hope that the Massachusetts legislature would appreciate the seriousness of the situation and adopt a more satisfactory plan.

The chief agitation has to do with rates. The state is divided in zones. Citizens of cities that pay more insist upon a flat rate, which would mean they would get the insurance at a lower figure, while those in the rural districts would pay more. Since the majority of legislators represent the lower rated communities, nothing has been done about this matter.

Many Loopholes in Act

The Massachusetts law is not a real remedy, nor even a good remedy, Mr. Stone said. There are many injured persons without protection theoretically afforded by the law. Evils and abuses which have grown up under it are more harmful than the evils sought to be remedied and more than offset any good coming from the law. Mr. Stone said

search for a better plan led to the standard AAA financial responsibility bill.

One great criticism of the AAA bill is that it still permits the so-called first accident, Mr. Stone said. Thus, there have been included in the new standard bill provisions of New Hampshire law which, he said, would result in fewer cases of uncompensated first accidents than even under the Massachusetts compulsory law. The theory of the new bill is to increase the number of voluntary purchasers of automobile liability insurance, somewhat similar to the situation in workmen's compensation.

Political Rate-Making

One of the great difficulties in the Massachusetts act, Mr. Stone said, is that it makes possible political rate making, whereas determination of sound rates should be a mathematical, statistical or actuarial matter. The insurance commissioner should gather the exact figures and facts and calculate rates which while just, reasonable and not discriminatory are adequate to pay claims and assure companies they will not have to operate at a loss.

The fact in Massachusetts, however, Mr. Stone said, is that casualty companies have lost millions of dollars under the compulsory act. Combined experience of all companies for 1927-1936, inclusive, the 10 years the law has been in effect, shows the rates have not been adequate. They were less in 1933 than

(CONTINUED ON PAGE 55)

Futz Comes Out Against Compulsory Insurance

EIGHTY-FOUR, PA., Feb. 17.—Joseph Futz, civic leader and progressive insurance agent of this place, returned to 84 yesterday morning after having journeyed to Pittsburgh to take part in the great Pittsburgh Insurance Day celebration on Monday. He was given a ticket for the lunch and one for the banquet by C. H. Bokman, who is one of the most prominent figures in the insurance fraternity in Pittsburgh and is the executive manager of the New Amsterdam Casualty. However, Mr. Bokman had not arranged for a hotel room for Mr. Futz and as the hour was late when the banquet was over, Mr. Futz desired to spend the night in Pittsburgh. Learning of Mr. Futz' situation, Fred L. Nesbitt, who manages the Standard Accident in Pittsburgh, permitted Mr. Futz to occupy the Standard Accident's room for the night. Mr. Nesbitt had paid for the room anyway, but was not going to sleep in it.

Mr. Futz was greatly impressed with the address of E. C. Stone, the United States general manager of the Employers Liability, exhorting a law which makes people buy auto insurance. Until he heard this talk, Mr. Futz was in favor of such a statute, but he now regards such legislation as an unmitigated evil and he intends to get Hon. Hunt, the insurance commissioner here in Pa. to prevent any attempt to foist a statute like this on the statute books of Pa.

Rutherford Made Head of Company

James L. D. Kearney Resigns as President of the Hartford Accident

HAS BEEN IN BAD HEALTH

Other Changes in the Company's Official Personnel Are Announced by Its Officials

It has been known for some time that President J. L. D. Kearney of the Hartford Accident & Indemnity was in ill health and probably could not continue in active service very long. He found it necessary to resign his position and Paul Rutherford, vice-president and general manager, becomes head of the company. Mr. Kearney will remain as a director. M. W. Heard, attorney in the fidelity and surety claim department, was elected secretary; Joseph Broucek, C. J. Berlin and F. P. Handley were chosen assistant secretaries.

Kearney's Long Service

Mr. Kearney was chosen as one of the official staff of the Hartford Accident when it was organized, as he was recognized to be one of the leading surety underwriters in the country. Mr. Kearney became secretary of the Hartford Accident in March, 1914, vice-president in 1920 and president in 1934. At the annual meeting of the International Association of Casualty & Surety Underwriters at White Sulphur Springs last October Mr. Kearney was chosen president.

Mr. Rutherford has had a career that has molded him into one of the outstanding executives. He is a native of Baltimore where so many men prominent in the casualty and surety world got their training. He started with the United States Fidelity & Guaranty. Later he became superintendent of the fidelity bond department of the American Bonding and manager of the Baltimore branch of the American Surety. He was sent to St. Louis by the Fidelity & Deposit in 1911 as manager of its office there. He was elected vice-president of the F. & D. and put in charge of New York City and metropolitan district in 1929. Mr. Rutherford went to Hartford in 1934 and was elected vice-president and general manager of the Hartford Accident. In every respect he has made good, not only in the field of production but underwriting.

Biographical Tablets

Mr. Heard was born at Baton Rouge in 1896 and took his law degree at Tulane. Returning from the war he was made district attorney of New Orleans. He went to the Hartford Accident in 1933, theretofore having been connected with the Union Indemnity.

Mr. Broucek, who is a native of Hartford, (CONTINUED ON PAGE 54)

Suggested Automobile Form Still in Proposal Stage

SENTIMENT EQUALLY DIVIDED

Some Companies Sent up a Trial Balloon to Get Expression from Field Workers

NEW YORK, Feb. 17.—Responses from the agency field have not been sufficiently numerous as yet to enable the automobile committee of the National Bureau of Casualty & Surety Underwriters to decide whether to sanction issuance of the proposed \$1,000 public liability and property damage policy, or to abandon the idea. Such replies as have been received are about equally divided between endorsement and condemnation of the proposition.

The flying of the trial balloon was induced through the frequent complaint that casualty companies were too insistent in selling the types of coverage they prepared, rather than granting contracts which prospective assured desired, or thought they wanted. To test the extent and seriousness of this plea the \$1,000 limit policy was drafted and submitted to field men for their consideration.

Features of Proposed Form

The policy is standard as to its provisions and differs not a whit from that of the larger sized contracts, except as to the limit of liability. It is appreciated that if the policy is issued and sold to any considerable extent, the expense for claim adjusting under it would likely prove considerably greater than under contracts for larger amount. Underwriters feel, moreover, it would be provocative of clashes with assured should verdicts in excess of the limit be awarded in court actions. In the event of suits for substantial sums, assured would have to employ counsel to work in conjunction with carrier attorneys, and this too might cause irritation. Not until sufficient time has elapsed for sentiment of local agents in all parts of the country to be learned will the fate of the proposed limited policy be settled.

Compulsory State Fund for Uninsured Motorists Asked

MADISON, WIS., Feb. 17.—A new angle on the compulsory automobile liability situation is presented in the Larson bill introduced in the Wisconsin legislature, establishing a motor vehicle liability fund under the secretary of state to cover uninsured motorists. Applicants for automobile licenses would have to carry \$5,000/\$10,000 public liability insurance and \$1,000 property damage. Those not having insurance would be charged a sum not to exceed \$20 additional to the registration fee, which would be paid to the new state fund. Persons injured by uninsured motorists could bring suit in the courts with the secretary of state as co-defendant. Judgments would be limited to \$1,000 for injury to any one person and \$1,000 property damage. District attorneys would be charged with the responsibility of collecting the judgment from the negligent motorist for return to the state liability fund. The bill would include automobiles registered outside of Wisconsin.

Deaf Mutes Want Cover

SPRINGFIELD, MASS., Feb. 17.—The deaf mutes of Springfield and vicinity, in an effort to force the insurance companies to issue them automobile liability insurance policies under the compulsory act, have organized a club to be known as the Western Massachusetts Auto Civic League for the Deaf, for the purpose of raising funds to carry on its campaign. It is claimed that the insurance companies have consistently refused to insure deaf mutes, although the state laws do not forbid it.

Judge F. H. Ellsworth Dies at Hospital in Fort Wayne

HEAD OF MICHIGAN SURETY

Served as Insurance Commissioner of Michigan for Four Years—Prominent in the State

LANSING, MICH., Feb. 17.—Death came unexpectedly this week to one of Lansing's most prominent insurance figures when F. H. Ellsworth, president



FRANK H. ELLSWORTH

of the Michigan Surety and a former commissioner of insurance, died Sunday night at St. Joseph's hospital in Fort Wayne, Ind., where he had gone for a general physical examination and a rest following an attack of influenza.

Mr. Ellsworth had presided at a recent affair given by Lansing companies for Commissioner Gauss, although not in the best of health at that time but none of his associates or members of the family suspected his condition would develop serious complications even after he had entered the hospital and had undergone a minor operation. A combined kidney and heart condition arose, however, following the operation which rapidly overcame Mr. Ellsworth's resistance and despite apparent relief of the situation the tax on his strength was too great and death followed in a few hours.

Appointed Commissioner

Mr. Ellsworth came to the insurance business via appointment to the commissioner's office in 1917. Born at Marlette, in the "Thumb" district, he had been a practicing attorney for a score of years in Benton Harbor and had served eight years as Berrien county judge of probate. He remained in the commissioner's position until a change of administration in 1921 when he went with the Detroit Fidelity & Surety as vice president and superintendent of agencies. He left that office in 1923 to organize the Michigan Surety which was incorporated in 1924 when a merger was negotiated between the new company and the Northern Indemnity of Grand Rapids. He had since devoted the major part of his time to the company he headed although he had other extensive business connections and had been particularly active a few years ago in reorganizing the American State Savings Bank in Lansing which had failed early in the depression.

Mr. Ellsworth is survived by the widow and one son, E. K. Ellsworth, an attorney associated with the Lansing firm of Shields, Ballard, Jennings & Taber.

The Rix Corporation, Hot Springs, Ark., formed to operate a general insurance business, has been incorporated by F. N. Rix, R. H. Rowe and N. R. Overstreet.

Assigned Risk Plan Now Is Agreed to in Illinois

SIXTY-THREE COMPANIES IN

Will Be Used in Connection with the Writing of Occupational Disease Insurance

NEW YORK, Feb. 17.—Sixty-three casualty companies have agreed unreservedly to accept the assigned risk plan for writing occupational disease risks in Illinois. Chairman P. J. Angsten of the state industrial commission has been advised to that effect. The carriers merely are awaiting formal written approval. Sanction was given the plan by Mr. Angsten some weeks ago but the promised written confirmation has not yet come to hand. One company still refuses point blank to endorse the arrangement, and four others still have it under consideration, being unable to reach a conclusion.

Next Move up to Commissioner

The industrial commission indicated some time ago that if a sufficient number of carriers consented to the arrangement without reservations of any kind, means would be used either to force the objectors into line, or bar them from operating in the state. The next move, therefore, is up to the commission.

State Farm Mutual Rally Draws Attendance of 1,800

The annual convention of State Farm Mutual agents in Chicago this week was a turnout from many states with registration of nearly 1,800 the first day and a banquet attended by almost 2,500 persons. President G. J. Mecherle addressed the opening session. Assistant Secretary G. E. Mecherle introduced the "High Toppers," honor organization of state leaders. Secretary G. E. Beadle gave his report and Executive Vice-President A. H. Rust discussed the financial picture.

Some 600 members of the home office staff journeyed by special train from Bloomington to attend the annual banquet and a large delegation of the Bloomington chamber of commerce also was present as honor guests to present appreciation to President Mecherle. Assistant Secretary Mecherle was toastmaster. Reporters of the "Daily Pantagraph" of Bloomington were in Chicago getting material for a special edition. A 10-piece German band was brought by the Minnesota delegation. The 300 Club made up of agents who sold 300 credits in the year also was honored. A. J. Fleming of Orlando, Fla., state director, was presiding officer the first morning, W. E. Searle of Laramie, Wyo., state director, presided in the afternoon; J. S. Jones, secretary Minnesota Farm Bureau Federation, presided the second morning, and H. E. Baumberger, state director of Charlotte, Va., presided in the afternoon. F. C. Snapp, vice-president State Farm Fire, well known in the middle west, spoke on underwriting pitfalls. H. L. Ekern of Ekern & Myers, insurance attorneys, Chicago, was a speaker the second day. President Mecherle closed the convention.

There were group breakfasts and conferences during the gathering and finally a dinner of state, district and special agents with Agency Vice-president A. W. Tompkins presiding.

Not Writing Long Haul Trucks

The Pennsylvania Casualty of Lancaster, Pa., states that it is not writing long haul truck insurance. It did take part in the hearings before the Interstate Commerce Commission on the subject but it has not entered that field.

W. B. Hunter of Broome & Hunter, San Angelo, Tex., has been presented a silver pitcher by F. A. Crawford, San Antonio special agent Great American Fire, for a service record extending back to 1908.

For \$5 One Should Not Know All, It Appears

Associated Adjusters of Milwaukee, the concern that for a small fee of \$5 undertakes to make the unemployed or poorly paid layman of today a \$200 a month adjuster of tomorrow, still seems to be campaigning as aggressively as ever despite the fact that it has been under investigation by the Better Business Bureau and despite the fact that it has no standing in the insurance business.

A. H. Procise, an investigator and adjuster of Des Moines, has been carrying on some correspondence with Associated Adjusters. After writing for and obtaining their literature, he asked Associated Adjusters to give him a list of companies from which Associated Adjusters gets assignments of claims to investigate. He received a reply signed by H. T. Yurchich, which included this paragraph:

"You ask what companies we represent in your locality. It is you who does the representing. We do not personally handle claims. Therefore, our position is one of contacting the companies for you. We are not representatives of insurance companies, but contacts for the men who get into this field, with the companies."

The letter then goes on to urge that Mr. Procise submit his application and send in the fee. He is offered a "circular territory of 100 miles radius with Des Moines as the central point."

"We believe that this will be sufficient territory to give you an income of \$200 per month or more after you have established yourself in this field," Yurchich declared.

Mr. Procise then asked Associated Adjusters to send in the names and addresses of some of "your associate adjusters in some of the cities in Nebraska, Iowa, Minnesota, or Illinois."

"What I am trying to get at is to determine the class and standing of the companies who patronize your bureau," Mr. Procise wrote. "In other words, I should have the same right to investigate you as you have to investigate your members."

In reply, Mr. Procise received another letter from Yurchich, urging him to send his application and remit \$5.

"As to other representatives in any territory," Yurchich replied, "we do not make a practice of acquainting one with another, except as through adjusting jobs they become acquainted. We have found that it is always best for a man to work on his own, and therefore feel that he is out to beat the field and not to trade success with anyone else."

Perjury Probe in Accident Cases in Dallas Expected

DALLAS, TEX., Feb. 17.—It is reported that the next federal grand jury will make a thorough probe of perjury in connection with accident fraud cases recently heard here.

"We will be ready to go into the matter if so requested," said District Attorney Eastus. "I do know there has been some evidence of perjury in some of these cases, and think perjury in any court should be prosecuted."

Federal Judge Atwell said from the bench that all of the testimony in one of these insurance cases was pure perjury and that he expected to take the matter up with the next grand jury. Some 100 accident cases have been tried in his court in the past two months. Court attaches said perjury had appeared in the majority of them.

It is said if the investigation is ordered it will involve doctors and lawyers, rather than plaintiffs in these cases. It is understood the lawyers involved tried cases on contingent fees, and it is charged that doctors falsified statements to insurance companies and in court in a conspiracy to aid clients to collect claims against the companies.

Insurers Win Victory in Rate Fight with De Celles

MASTER'S REPORT IS FILED

Massachusetts Commissioner Rebuked for Means Employed to Force Lower Auto P. L. Tariff

BOSTON, Feb. 17.—Commissioner De Celles was summarily summoned back from Montreal Monday to appear at the office of the governor at 11 o'clock Tuesday by Governor Hurley. He was ordered to report with charts and records relating to the schedule of auto insurance rates promulgated by him.

Governor Hurley expressed displeasure Monday night that he was unable to reach the commissioner. "I tried to get De Celles today," the governor said, "and I found that he is in Montreal. I told his secretary to wire him at once to be here tomorrow morning with his books and show how he determined these rates."

"My policy from now on is that when department heads plan to leave the state for any reason they must let us know up here and obtain permission. I'm all through letting department heads roam all over the country without knowing where they are."

Following the conference Tuesday De Celles declared he would fight to the limit for the present low rates schedule and that the governor and attorney-general were cooperating with him.

BOSTON, Feb. 17.—Increase of 5.8 percent in compulsory automobile liability insurance rates on passenger cars and 6.6 percent increase on commercial vehicles was recommended to the supreme court by W. H. Hitchcock, special master, in a 58 page decision in favor of 43 stock casualty companies which had filed bills in equity protesting the schedule of rates for 1937, promulgated last September by Commissioner DeCelles.

The master finds that the rates set by the commissioner "are not adequate, just or reasonable"; that the commissioner should have accepted companies' reports on losses, which, the master said, would have meant a general rate increase of 8 percent, representing something like \$2,000,000 in premiums. While DeCelles is "a highly educated man of superior intellectuality with special experience in mathematics," Master Hitchcock reported, "he had some but not a widespread experience in the insurance field and so far as appears had no experience in rate making."

Political Angle Cited

"Commissioner DeCelles," says the report, "testified he was a personal friend of the governor. It is obvious on all the evidence and in the light of public knowledge that he approached the duty of determining premium charges both for 1936 and 1937 under conditions and in an atmosphere which made a judicial attitude on his part exceedingly difficult."

Regarding the public statement given out by DeCelles last fall that the companies had "padded" their loss reserves, some by as much as 23 percent, the master says: "This statement was not accurate. The use of the word 'padding' seems to imply an intentional over-estimate in valuation. Nothing in the report or in the evidence before me justifies that conclusion." The report includes a scathing rebuke of political influence exerted to affect the making of the rate schedule.

The report goes to a member of the supreme court who doubtless will submit it to the full bench which will hand down the final decision.

Commissioner DeCelles, who had been ill in a Boston hospital for several days, was reported by his office to be in Canada at the home office of a Canadian

New and Retiring Presidents



PAUL RUTHERFORD

Owing to continued ill health President J. L. D. Kearney of the Hartford Accident & Indemnity has found it necessary to resign although he con-



J. L. D. KEARNEY

tinues as director. His successor naturally is Vice-president and General Manager Paul Rutherford, who has proved his fitness for the post.

Chicago Accountants Form Group to Exchange Data

Accountants of Chicago casualty and surety company offices have organized an association for the exchange of information. The group was formed with the encouragement of the Casualty Managers Club and the Surety Underwriters Association.

G. H. Ahrold, United States Fidelity & Guaranty, was elected president and J. H. Muhlke, Continental Casualty, was named vice-president. Miss Bayle Goodstein, American Surety, is secretary, and L. M. Wheeler of Charles & Lewis is treasurer. An official name and bylaws will be adopted at a later meeting.

company on business, but was later located at the Mount Royal hotel in Montreal, where he stated he was recuperating from his recent illness and would be back in Boston soon.

There is no controversy over expense loading. The companies' estimates of reserves were found by the master to have worked out with uncanny approximation to the actual over a period of years.

The report of the special master, in part, states:

"The present commissioner abandoned the two-year rate level in fixing the 1937 rates, and adopted a straight average five-year pure premium as the basic pure premium. The commissioner appears to have taken up the duty of fixing the premium charges for 1937 with a definite, though, of course, undisclosed intention of finding, if possible, some method or procedure by which rates for private passenger cars, at least, could be reduced below those set by him for 1936. He eventually brought about this result chiefly by refusing to employ the so-called two-year rate level, and by reducing the companies' estimates of the value of their outstanding claims for years prior to 1936, as reported to the bureau, by 10 percent thereof."

Oppose the \$1,000 Proposal

A preliminary canvass of the San Antonio, Tex., agents shows that a majority of them are opposed to the \$1,000 limit proposal for automobile policies. They do not believe this would increase the sale of automobile insurance and declare that this lower limit might cause those who carry a larger amount to reduce the sum now carried to the \$1,000 level.

New Plan in New England for Auto Repairs on Road

PROVIDENCE, R. I., Feb. 17.—Claim departments of casualty companies will be interested in the practical results of the operation of a new corporation formed here, known as the "Mo-Tel Service," which is now operating throughout Rhode Island and Connecticut and plans extension throughout the country. Prominent Providence business men are behind the plan, which calls for the listing of reputable garage and automobile repair shops throughout the two states, each under agreement to furnish emergency aid at minimum charge to motorists involved in trouble on the road.

Can Call Western Union

By agreement with the Western Union Telegraph Company the lists for each locality are placed in the local Western Union offices. A motorist in trouble on the road goes to the nearest phone, calls "Western Union," says he is in need of help and the Western Union operator notifies the nearest garage, selecting the repair plant handling the particular make of car if necessary. No charge of any kind falls on the car owners, the plan being supported by registration fees paid by the garages and repair shops. As all listed garages are pledged to make only fixed, standard charges for work done, claim men see a possibility of a marked reduction in costs for accidents on the road.

Auto Liability Rates Are Again Raised in Florida

JACKSONVILLE, FLA., Feb. 17.—Automobile liability insurance rates have been increased for the second time within a year in this state, according to an announcement by Quinlan Adams, president of the Jacksonville Insurers Association.

The increase was compelled by the steadily increasing loss costs, Mr. Adams said. The advance will amount to \$4 for private automobiles and \$5 to \$16 for trucks.

The same rate of increase was put into effect March 2, 1936, according to Mr. Adams. The present increase is effective immediately in all sections except Miami, where the higher rate is already in effect.

National Bureau Changes 3-Year Burglary Rating

OTHER RULINGS ARE MADE

Practices Determined for Holdup Coverage Applying on Trailers; High Charge Is Made

The National Bureau of Casualty & Surety Underwriters has revised its computation method for figuring three-year premiums on burglary policies, has issued rulings on residence and personal holdup coverage applying on automobile trailers and has made a number of changes in the underwriting and rating of safe depository liability and securities policies.

This follows announcement of reduction of burglary, robbery and theft rates throughout the state of New York, because of improved experience.

Manual Three-Year Changes

Under the new ruling dealing with three-year premiums the manual rule has been changed as follows: "The three-year prepaid premium is two and one-half times the annual. The three-year premium if paid in annual instalments of 50 percent, 30 percent and 20 percent for the first, second and third years respectively, is two and one-half times the annual plus 5 percent." Under the old ruling the three-year premium was reduced 10 percent when it was paid in annual instalments of 50 percent, 30 percent and 20 percent, with an additional 5 percent off if paid in advance.

The bureau has ruled residence and personal holdup coverage applying on automobile trailers shall be written at territory 5 rates with an annual minimum earned premium of \$15. The rating committee said this is a hazardous risk and secured the highest rate, since trailers are moved from place to place and it is likely the insurance will be written only for short term. The change becomes effective Feb. 15 in all states except New York, Washington, Oregon and Arizona. Effective dates for those states will be announced soon.

Rescinds Safe Depository Ruling

The committee has rescinded its ruling of May 21, 1936, allowing the usual excess discount for safe depository liability policies written excess over a form No. 5 banker's blanket bond. Since the bond covers only money and securities while the liability contract covers all property, and since the latter takes care of defense suits, and the bond does not, the ruling has been changed.

The bureau has taken jurisdiction over the securities policy (outside messengers only) both as respects coverage on securities and money. For the present each of these risks will be submitted to and rated by the bureau before any quotation or commitment is made by members. The regular messenger robbery rates will be charged plus loading according to the number of guards and whether the contract includes or excludes fidelity. The annual minimum premium will be \$25.

The present form may be used, but it is being revised, with new copies to be available soon.

The committee has also ruled that policies on securities in custody of federal reserve and correspondent and depository banks written in accordance with rules 59 and 60 on page B. 23 (a) of the manual may be issued country-wide for a term of not more than three years. This change, as all the others, became effective Feb. 15.

Now with New Century

THE NATIONAL UNDERWRITER in its Jan. 28 issue carried a comment by J. H. Andes, calling him a special agent of the Citizens Casualty. He is now field supervisor of the southern department of the New Century Casualty.

ACCIDENT AND HEALTH

Year Book to Be Out in April

Accident & Health Review to Give Complete Presentation of Disability Field in New Annual

The great need for accident and health insurance and methods of selling that need to the public will be emphasized in the 1937 Disability Year Book which will be published in April as a thirteenth issue of The Accident & Health Review a NATIONAL UNDERWRITER publication. The Year Book will carry a complete presentation of all phases of accident and health insurance assembled under one cover for the first time. Exhaustive statistical data, new sales ideas and background material will give the reader a complete picture of the widespread need for accident and health insurance and what it is doing to make things easier for victims of accident and illness and their families.

The latest figures on the extent and causes of accidents and illness will be presented in an interesting and instructive fashion, so that the reader can always refer to this section in the Year Book for complete statistical data. Special graphs will show hospital and medical costs, loss of income through accidents and sickness, and the importance which earnings play in the life and happiness of the average man's family.

Sales and Prospecting Plans

Effective sales plans used by leaders in the business will be digested, and various prospecting plans and methods for agents to expand their contacts will be outlined. A special section will be devoted to sales approaches which have proved effective and can be used in selling various forms of contracts to different types of individuals. Sales talks which establish the need for accident and health insurance will be published. Sales arguments that have been proved effective by men who are making good money in the business will be given in detail. Methods used by leading pro-

ducers in getting the name on the dotted line will be outlined.

Another important phase which will be covered is the live subject of conservation. Methods used in making friends of policyholders and keeping them on books will be told.

Because agents should be familiar with underwriting methods and background the Year Book will outline suggestions in selecting the right type of risks and in fitting the contract to suit the individual's needs. Policy contract will be discussed so that the agent can be familiar with various types of coverage. The reasons for the various classifications which agents must know will be outlined.

A special section will be devoted to problems of general agents and managers. Methods used in securing new men and training them will be discussed in full. Sales promotion and stimulation contests and plans will be reviewed. There will be many ideas for getting business and in getting agents to make calls.

Another section of the book will be devoted to the sales opportunities in the accident and health business and a special article will show the possibilities for the new man in the field.

The 1937 Disability Year Book will be coordinated with the National Accident & Health Week plans so that agents can prepare for the national drive by refreshing their knowledge of the business and by replenishing their sales kits with new ideas that actually get business.

It is only fitting and proper that The Accident & Health Review should launch the Book in 1937, as this is the 30th anniversary of The Accident & Health Review's founding and the Year Book will be its outstanding contribution to its 30 years of endeavor and its plans for future progress.

The 1937 Year Book will sell for 25 cents a copy, cash with order. Send orders to 175 W. Jackson boulevard.

Outline Conference Program

General Plans for Convention at White Sulphur Springs, May 25-27, Told as Executive Committee Meets

Plans for the annual convention of the Health & Accident Underwriters Conference were announced at a meeting of its executive committee in Chicago.

The annual meeting, which will be held at the Greenbrier, White Sulphur Springs, W. Va., May 25-27, will consist of four business sessions, one each morning of the first and third days, and a morning and afternoon session the second day. The golf tournament is scheduled for the afternoon of the first day and the banquet for the evening of May 26.

At the first session, in addition to the usual opening addresses and reports, W. I. Aitken, Lincoln, Neb., attorney, will talk on the "Social Security Act." One entire session will be devoted to agency management under the direction of A. E. Faulkner, president of the Woodmen Accident, and another period to legal topics. Taxation will be the general theme at the legal session, with papers on both federal and state taxes as they affect accident and health companies.

Over 40 were present at the executive committee meeting, member companies sending representatives to participate in the discussion of several important matters before the committee. Pending legislation, the status of agents under the social security act, group hospitalization insurance and other topics were discussed.

Accident Business Is Good — For sales pointers read The Accident & Health Review. Sample copy 10 cents. Address A-1946 Insurance Exchange, Chicago.

cussed informally. A "prevue" of the radio program entitled, "It Happens Every Day," prepared for National Accident & Health Insurance Week, was given.

Health Insurance Plan Blocked

VANCOUVER, B. C., Feb. 17.—The provincial health insurance scheme scheduled to go into effect here in March, is now blocked by refusal of medical men to cooperate. The doctors object to the scheme primarily on the ground that it makes no provision for care of indigents, but other factors also enter into the situation. It is considered unlikely that the levy on wages required to finance the plan, and the health service, can begin in March.

Continental Sales School

The accident and health department of the Continental Casualty's Chicago branch will hold a sales school March 11-12 and March 18-19 from 12:30 to 2 p. m. each day. Policy contracts will be analyzed, sales demonstrations staged and problems in merchandising accident and health insurance will be reviewed. Manager A. D. Anderson will be in charge.

Winding Up Bean Concerns

MINNEAPOLIS, Feb. 17.—Finis is rapidly being written on the M. E. Bean

wildcat carriers that for years have been a target of the Minnesota insurance department. Following the death of Mr. Bean a few weeks ago, his widow immediately took steps to wind up the affairs of the half dozen concerns operated from Bean offices in Minneapolis. Coverage in all of them ceased Feb. 1. No further collections are being made and no more policies are being sold.

In the Bean group were the American Mutual Protective Association, Fidelity Mutual Association, Consolidated Insurance Underwriters, Community Service Association and Consolidated Mutual Insurance Association.

M. E. Bean died a few days after the Minnesota supreme court had affirmed his conviction for selling insurance without a license.

Thomas Leads Company

W. L. Thomas, agency director at Los Angeles of the accident and health department of the Massachusetts Bonding, won first place in the company's national contest in 1936 based on outstanding service in underwriting, production and faithfulness to the company.

Dr. Aldrich Boston Speaker

Dr. R. H. Aldrich of Boston addressed the Boston Life & Accident Claim Association on "Injection Treatment for Hernia" at its monthly meeting.

FIDELITY AND SURETY NEWS

Consolidated Receiver Wins

Indemnitor of Agent of Failed Company Is Liable for Unpaid Balance Owing to Insurer

Insurance Superintendent Pink of New York, as receiver of the Consolidated Indemnity, has obtained from the New York appellate division, first department, a judgment against Silverman, as surety for Eagle Underwriters, Inc., one of the Consolidated agents. The judgment was on account of unpaid balances due the Consolidated by Eagle Underwriters.

Silverman executed the indemnity agreement while he was an officer of Eagle Underwriters. His partner was Mogul. Subsequently Silverman sold his entire interest to Mogul and withdrew from the firm. He contended that there was an agreement between him and the Consolidated releasing him from his obligation of indemnity. The lower court held that he was released but the appellate court reversed that judgment.

The alleged agreement of release was oral and was to the effect that when Silverman notified an officer of Consolidated that he was to withdraw from Eagle Underwriters, the Consolidated officials agreed to look to Mogul for the liabilities of Eagle to Consolidated. The court stated it is unable to construe this conversation as effecting a release. No specific reference was made to the agreement. That no such release was intended finds support in the subsequent conduct of the parties. But assuming the agreement relied upon might be regarded as one of release, it would be effectual only as to future obligations. The obligation of Silverman continued until he was released. At the time the alleged agreement was made, Eagle Underwriters was indebted to Consolidated in an amount in excess of the judgment sued upon. By the same token, Silverman was likewise indebted to Consolidated and was under an obligation to pay. The court finds no consideration for Consolidated to release Silverman from what he was already obligated to do under the written contract.

W. A. Jack, formerly a broker with the Ploesser-Moseley-Watts Agency, St. Louis, has opened his own Class 2 agency at 408 Pine street.

Contract Bonds Are Watched

Underwriters Are Cautious Due to More Restrictions by Federal and State Bodies on Principals

NEW YORK, Feb. 17.—Unusual care is now being exercised by surety underwriters in consideration of contract bond applications, for in addition to usual risk factors, leading contractors in all sections of the country complain of new restrictions by federal and state regulations, aggregate of which makes profit uncertain. While volume of contract business written by surety offices has improved somewhat in recent years, it is still far short of that in the pre-depression era, when premiums from the line constituted one-third of the total of the surety business.

In reviewing applications for bonds underwriters were and still are influenced by the general reputation of contractors, as well as by extent of their working equipment and financial backing. As the bottom dropped out of new construction many contractors bid for work at prices that barely covered costs, in an effort to hold their organizations together, and often jobs proved unprofitable with sureties being called upon to make good the shortages. Recent years served to eliminate venturesome contractors, and they do not figure much at present.

Writes Sewer System Bond

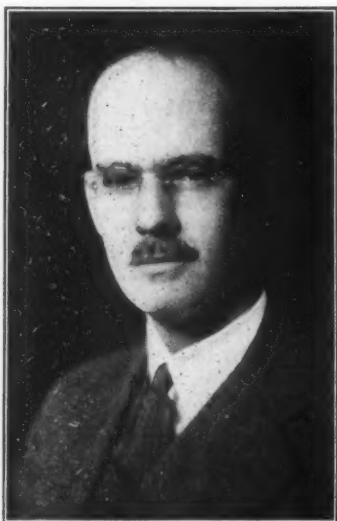
LOS ANGELES, Feb. 17.—The United States Fidelity & Guaranty issued a bond for \$327,000 covering the Drainage Construction Company, contractor on the installation of a sewerage system and disposal plant at Newport Beach. Construction has just begun and is expected to be completed within six months.

To Give Fidelity Lectures

NEW YORK, Feb. 17.—KA series of lectures on fidelity bonds by J. C. Brodsky will be given before metropolitan brokers under the sponsorship of the Fidelity & Casualty.

Kemper Reid has succeeded N. D. Evans at the Columbia (Mo.) Rental and Insurance Agency. Mr. Evans, who has moved to Florida, has been manager for 18 years.

Comments on Features of Automobile Liability



R. LEIGHTON FOSTER, Toronto, Can.

R. Leighton Foster former insurance superintendent of Ontario, in a recent address gave some observations on tendencies in automobile liability policies and pointed out some dangers. He is well known in the United States as he never fails to attend meetings of the National Association of Insurance Commissioners and has addressed other insurance bodies.

OF INTEREST TO YOU?

● Fifty years ago, the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Limited, wrote the first liability policy ever written in the United States. We have reproduced, as an interesting historical document for insurance men, that first liability policy which naturally differs considerably from those contracts you sell today.

It is our wish that every insurance agent and broker, every employee connected with any insurance office, who feels that he or she would be interested in owning a copy of this facsimile of the first liability policy written in the United States, should receive a copy. Hundreds have already written in, requesting a copy. Dozens have asked for additional copies.

Perhaps you would find it more interesting than you at present believe. To get your copy please write to the following address or if you prefer, telephone or write to the nearest Branch Office and they will take care of your request.

May we remind you that the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Ltd., is one of The Employers' Group companies. The others in the group are The Employers' Fire Insurance Company and the American Employers' Insurance Company and together these three write practically every kind of insurance except life, including fidelity and surety bonds. If you are interested in establishing an agency connection, write to the same address, attention of the Agency and Production Department.

THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON



Depository Bond Picture Is Called Much Brighter

PAYMENTS BY CLOSED BANKS

Appreciation of Securities Enables Surety Companies to Recoup Old Losses From Institutions

NEW YORK, Feb. 17.—Although relatively few depository bonds have been written by surety companies since creation of the Federal Deposit Insurance Corporation, underwriters are agreeably surprised at the continuing dividends being received from liquidating financial institutions. Recoveries come from both national and state banks from all sections in the country, attesting improved general conditions and skill of liquidating officers.

In 1928-31 depository losses were so frequent and heavy as to strain seriously resources of some companies that had an especially large volume, and for some time thereafter there was little hope for salvage. The latter proved erroneous, and, while recoveries are not expected to reach averages that prevailed in the pre-depression era, they are considerably better than was first anticipated.

Handsome Returns Made

Each month surety companies holding "proof of claim certificates" against failed banks and trust companies to whose clients depository bond losses were paid, have been receiving percentage dividends as securities are disposed of by receivers; in some instances the dividends reach handsome figures. The gain in market value of securities in the past three years, of course, has made it possible for liquidators to sell collateral and holdings at warranted figures, a process that will be continued so long as the situation justifies.

COVERAGE RULES FOR TRAILERS

The American Motorists of Chicago has announced special rules for underwriting automobile trailer home coverage as follows:

1. All homemade models must be inspected by a company engineer before application is accepted.
2. Bodily injury liability and property damage liability are not acceptable unless the trailer is equipped with brakes.
3. Bodily injury liability alone is not acceptable. Both the passenger car and the trailer must be covered for both liability and property damage.

Other Rules Given

4. Bodily injury liability and property damage liability are not acceptable if the trailer is hauled by a passenger car equipped with two-wheel brakes only.
5. Bodily injury liability and property damage liability are not acceptable if the

trailer is used as a permanent home moving from place to place.

6. Bodily injury liability and property damage liability for trailers that are used as permanent homes stationed in one locality should be referred to the branch office.

Collision Provision

7. Full coverage collision is not acceptable. Deductible collision is acceptable only on those types that are made wholly or partially of steel.

8. Coverage for the passenger hazard insofar as the trailer is concerned is not acceptable. This restriction refers to anyone riding in, or upon, or entering or leaving the trailer.

9. The minimum premium for both bodily injury liability and property damage liability shall apply regardless of the term for which the coverage is written.

Burglary Claims Coming from the Flood Sections

NEW YORK, Feb. 17.—Burglary companies are beginning to get claims under mercantile open stock policies for goods allegedly stolen in Louisville during the flood period. It is anticipated additional claims of like character will come in later. Demands for indemnity for loss of jewelry under residence covers are also looked for, though there had been no looting in the section, because of the effective police and militia patrols, it is deemed probable individual thefts occurred, and claims therefore will be made.

Samuel J. Carr, resident vice-president of the Standard Accident at Philadelphia, has been elected a director of the Insurance Federation of Pennsylvania.

Oklahoma Board Takes Up Auto Fleet Rate Formula

OKLAHOMA CITY, Feb. 17.—At a special meeting of the Oklahoma insurance board consideration was given formulas on automobile fleet rates which have never been approved. The National Bureau of Casualty & Surety Underwriters formula is considered necessary because the fleet policy on automobiles is sent through the automobile rating bureau before filing with the corporation commission. A uniform policy also is necessary, Secretary S. W. Philpott said, in order to conform to the uniform rate program established in all lines of fire and casualty insurance in Oklahoma.

The board also considered data on the compensation rate hearing asked by

the Associated Industries of Oklahoma. No definite action will be taken on either matter until a meeting set for tomorrow.

Pierce Agency Sues Companies

The O. G. Pierce agency of Lincoln, Neb., has filed suit for \$90,000 against Century Indemnity, Aetna Fire, V. R. McDonald, New York agent, and Herbert Linquist, field man for the Century. The agency alleges there was a conspiracy to ruin its business. The bill states the agency refused to pay what it claims to be a fictitious claim for \$2,613 in 1933. Thereafter, according to the bill, Century Indemnity, et al., sought to have the insurance department cancel licenses of representatives of the Pierce agency.

Trailer Clause Construed

An interesting decision has been handed down by the Tennessee supreme court, in Waddey et al. vs. Maryland Casualty, involving the construction of the clause in the automobile liability policy voiding coverage while the automobile is being used for towing or propelling any trailer.

The assured invited two boys who were pushing a wagon upgrade to hitch on to his automobile. On the down grade there was an accident and one of the boys was injured.

The supreme court held that the wagon was a vehicle and at the time of the accident was being used as a trailer. It was four feet wide by five feet long. It was capable of carrying persons or things. The wagon did not fall within the exception permitting incidental assistance to a stranded automobile on the road.

N. Y. Insurance Federation Meeting

The Insurance Federation of New York State will meet in Syracuse June 4-5.

Standard Surety & Casualty Company of New York

Frank G. Morris, President

Financial Statement December 31, 1936

ASSETS		LIABILITIES	
Cash in Office and Banks.....	\$1,774,677.60	Reserves for Claims and	
Bonds (Amortized Values)		Claim Expense	\$1,674,952.54
United States		Unearned Premiums ...	1,628,121.90
Government	\$809,106.84	Commissions	216,835.67
State and Municipal	808,555.90	Other Liabilities	80,000.00
Railroad	192,688.45		\$3,599,910.11
Public Utilities	234,375.90		
Miscellaneous	271,074.58		
	2,315,801.67		
Stocks (Market Values)			
Preferred	\$505,430.00	Capital	\$1,500,000.00
Common	429,544.50	*Surplus	885,930.63
	934,974.50		
Premiums in Course of Collection (not over 90 days).....	912,585.60	Surplus to Policyholders.....	2,385,930.63
Accrued Interest	18,220.49		
Other Assets	29,580.88		
		Total	\$5,985,840.74
Total Admitted Assets	\$5,985,840.74		

On basis of December 31, 1936 market quotations for all Bonds and Stocks owned, the Total Admitted Assets would be increased to \$6,154,132.88. Securities carried at \$350,490.07 in the above statement are deposited, as required by law.

*On the basis of December 31, 1936 market quotations for all Bonds and Stocks owned, the Surplus would be increased to \$1,054,222.77.

Home Office: 80 John Street, New York, N. Y.

LEGISLATIVE DIGEST

AUTOMOBILE LIABILITY

Oregon—A compulsory automobile liability insurance bill has been introduced.

Ohio—School boards authorized to carry liability insurance on pupils transported in buses in bill.

Pennsylvania—Harkins house bill provides that contributory negligence shall not be a bar to recovery of damages in accidents brought for personal injuries, death or property damage. Tronzo bill decrees that "persons entitled to recover damages for any injuries causing death shall be the husband, wife, children or parents of the deceased and no other relatives." If none of these survive a "personal representative shall be entitled to recover damages for reasonable hospital, nursing, medical, funeral expenses and expenses of administration necessitated by reason of injuries causing death."

Massachusetts—47 compulsory automobile liability bills introduced. Eight ask for a uniform rate, with an average of \$33.85 per car. At the present time there are 31 cities and towns where the rate for automobile liability insurance is above this figure, but there are 324 municipalities where the rate is lower, according to J. W. Downs, counsel Insurance Federation of Massachusetts.

A bill to compel all casualty companies to submit their rates and classifications on all motor vehicle risks, liability, excess limits, extra territorial and property damage, to the commissioner for his approval, same to be uniform for all companies, is creating considerable controversy. The measure was submitted by William Doyle, counsel for the Liberty Mutual. Mr. Downs objected to it.

Mr. Doyle is also fathering a bill to authorize instalment payments of premiums on policies of liability insurance for motor vehicles. Mr. Downs approves it.

Mr. Doyle favors a bill amending the compulsory act to provide that every motorist indemnify the company to the extent of 50 percent of the first \$200 of loss or losses paid on account of one accident and that upon failure to do so within 30 days the car owner's registration should be revoked. Mr. Downs opposed the bill on the grounds it would give claim adjusters virtually the right to take a car owner off the road; that it was mandatory and applied to all insureds; and that it would be difficult to determine who were "bad drivers" if it applied only to such.

New Jersey—A bill would make it compulsory for every automobile owner to carry liability insurance coverage. It is reported the attorney-general's office has ruled the bill is constitutional.

Montana—Fail to enact either the monopolistic compulsory automobile liability bill or the measure making an insurance carrier co-defendant in motor damage actions.

Indiana—House bill 295 relieves operators of motor vehicles from damages arising out of injuries to guest riders.

COMPENSATION

Texas—House bill 66 providing for uniform policy for compensation insurance reported favorably over strong protest of Texas Employers Insurance Association.

Senate bill 7 providing compensation for occupational diseases reported out by committee on labor and industry and passed first reading. Passage is predicted. This bill is a supplement to House bill 99 now in the house committee on labor.

Nebraska—Bill provides that compensation claims and awards shall have first lien on assets and insurance carried by employer, when latter is insolvent or enters bankruptcy. Another measure

increases from 300 weeks to 400 weeks the period for total disability payments under compensation awards, strikes out present provision that at end of 300 weeks payments shall be 45 percent of award, and that where medical treatment exceeds \$125 compensation court approval must be secured.

Massachusetts—20 compensation bills introduced. House bill 724 provides for

the establishment of a virtually exclusive state fund. It provides material increases in benefits.

Oklahoma—A five member state industrial commission for administering the compensation act is proposed in S. B. 60. Members are to be appointed by the governor, and confirmed by the senate. The chairman of the commission shall receive \$4,800 annually, all others \$4,200. Two commissioners must be physicians.

Pennsylvania—Industrial leaders and mine operators appeared before a hearing on the administration's bill aimed

to liberalize the compensation act. Enactment, all opponents said, would boost compensation premium costs to such an extent that industry would be driven out of Pennsylvania.

Administration spokesmen admitted that premiums would be increased from 135 to 140 percent under the bill. Representatives of coal industries said the bill would jump their compensation costs to from \$3 to \$5 for every dollar paid at present.

Colorado—House passed bill raising the compensation payment basis from 50 per cent to 66 2/3 per cent and the

Financial Statement, December 31, 1936

MARYLAND CASUALTY COMPANY

Baltimore



ASSETS

Cash in Banks and Offices.....	\$ 3,526,889.54
U. S. Gov't & Gov't Guar't's (Mkt. \$6,894,052.25).....	\$6,709,716.36
Other Bonds, Amortized (Mkt. \$9,292,632.51).....	8,935,751.00
Unamortized Bonds, Market Values.....	474,491.65
Stocks, Market or Appraised Values.....	7,757,306.32
Premiums in Course of Collection Under 90 days.....	23,877,265.33
Real Estate:	4,577,378.56
Home Office Buildings.....	\$2,534,940.68
Philadelphia Office Buildings.....	744,798.65
Other.....	103,758.96
First Mortgages on Real Estate.....	3,383,498.29
Collateral Loans.....	1,005,162.33
Reinsured Losses due from Other Companies.....	475,000.00
Interest Accrued.....	488,945.34
Other Admitted Assets.....	57,079.95
	1,272,893.49
	<u>\$38,664,112.83</u>

LIABILITIES

Reserve for:	
Unearned Premiums.....	\$11,035,620.76
Unpaid Claims, Adjusted and Unadjusted.....	14,245,767.72
Commissions.....	921,001.40
Expenses and Taxes.....	747,733.80
Reinsurance Unauthorized.....	64,320.12
Real Estate Depreciation.....	783,390.09
Dividends on Preferred Stock.....	204,736.04
Assets Held Under Treaty and Special Agreements.....	386,158.70
Voluntary Reserve for Securities' Fluctuation.....	2,000,000.00
Capital.....	\$2,799,143.00
Surplus.....	5,476,241.20
SURPLUS TO POLICYHOLDERS.....	<u>8,275,384.20</u>
	<u>\$38,664,112.83</u>

Securities carried at \$2,772,504.03 in the above Statement are deposited with various governmental departments to comply with insurance laws.

Statement certified by Maguire, Undeutsch & Maguire, Insurance Auditors and Accountants,
45 John Street, New York

Net Premiums \$25,794,359, an Increase of \$2,108,057 over 1935.

Operating Income before Dividends—\$1,524,883. - - Added to Surplus—\$912,595.

\$2,174,961 Increase in Assets over December 31, 1935.

maximum weekly compensation payment to \$18 per week. Large employers, who estimate that the bill would raise their compensation costs 50 percent, held a protest meeting and hoped to block the measure in the senate.

New Mexico—A new compensation bill raises the minimum weekly payment from \$8 to \$10, the maximum from \$15 to \$18 and the maximum number of weeks of payment on an injury claim from 300 to 550. The monopoly compensation bill has been killed.

Indiana—The bill designed to revoke the present workmen's compensation rating law was killed. It is understood that an amendment to the present law will be sought to make it permissible to hold rate hearings at other points in the state than Indianapolis and to eliminate the \$500 minimum premium limit of risks eligible to hearings.

ACCIDENT AND HEALTH

Pennsylvania—House bill 622 provides for the establishment and administration of a state health insurance fund, compulsory upon employers and employees with certain exceptions.

New York—Neustein assembly bill establishes state health insurance fund with employers paying amounts ranging from 3½ percent to 1½ percent of total

wages with employees paying from 1 to 3 percent, and the state paying 1½ percent of total wages paid by employers.

Minnesota—Hospital service associations are placed under the jurisdiction of the state insurance department in a new bill.

Colorado—Bill has passed exempting benefits on disability as well as death claims from attachment.

Ohio—Bill prevents organization of or admission to state of any new assessment sickness and accident insurance organization.

SUPERVISION

New Hampshire—Bill forbids reinsurance of New Hampshire casualty risks with reinsurers not admitted to the state. Also allows cancellation of automobile liability and workmen's compensation policies by the companies by 10 day registered mail notice, while the insureds may cancel immediately by presenting policy.

New Jersey—Taggart assembly bill provides for the licensing of adjusters except lawyers.

LIABILITY

Indiana—A house bill prohibits the taking of statements by insurance adjusters or other agents from injured per-

sons or witnesses by intimidation or misrepresentation. It also prohibits taking a statement from an injured person in the absence of the latter's attorney and would require the agent to give the injured person a written copy of the statement. A penalty of \$1,000 fine and costs, with imprisonment up to six months is provided.

Ohio—H. B. authorizes county commissioners to purchase liability insurance for county-owned automobiles.

SURETY

Pennsylvania—Brancato house bill requires a \$2,000 bond from pawn brokers.

Nebraska—The measure governing motor trucks carrying motor fuels includes requirements for a \$50,000 bond covering liability for damages because of operation. The original limit of \$100,000 was reduced after protest.

Nebraska—Governor Cochran has asked the attorney-general to draft a new state bonding fund bill to replace the act which was held unconstitutional.

Massachusetts—No opposition has developed to a bill which would allow all casualty companies to include in their coverage for breakage of glass an added charge for protection for lettering and ornamentation.

Kansas Agents to Push State Responsibility Law

The financial responsibility act committee of the Kansas Association of Insurance Agents has recommended such legislation be enacted in the state. The bill has been introduced by State Senator Dale, and association members have been asked to write legislators from their districts urging them to support the measure. A. E. Smoll, chairman of the committee, in his report summarized the act in the following questionnaire:

1. Suppose a financially irresponsible driver cause an accident which damages your car extensively, is there any way you can collect from him?

No. The loss is yours unless you have it covered by insurance. But the "financial responsibility act" has solved the problem in many states.

2. What is financial responsibility?

"Financial responsibility" means that proof must be given of ability to respond in damages for any liability incurred resulting from the ownership, maintenance, use or operation of a motor vehicle.

3. How may an automobile owner prove this ability to respond?

This may be done by posting sufficient bond or cash with the proper state official, or by covering the car with sufficient liability insurance.

4. Would this be required of every automobile driver?

No, only for those persons who have had their drivers' licenses revoked for failure to pay a judgment, arising out of motor vehicle accident.

5. Why is "financial responsibility" better than compulsory insurance?

Compulsory insurance puts no premium on safety, in fact, encourages carelessness in driving. "Financial responsibility" reduces accidents.

6. Has the financial responsibility act been successful?

In the period of seven years since the original draft bill, this law has been adopted in 27 states and the District of Columbia. Approximately 65 percent of the motor vehicles in the United States now come under its provisions.

7. How is the law enforced in case of a conviction?

When a driver's license is suspended or revoked, the registration of all the driver's cars is also revoked and his number plates taken away. He will not be allowed to get a new driver's license, nor have any car registered until he has given proof that he can pay for any future accidents. He must pay the judgment against him, or make satisfactory arrangements to do so, before he can get the new driver's license or register his cars.

Write Crime Contracts

Insurance men report real activity throughout Illinois by associations writing storekeepers crime contracts on taverns, filling stations and risks of similar nature. The benefits promised are \$250 in one year on theft or burglary within the premises, holdup or robbery within or outside of the premises, and fraudulent checks. The premium charge is generally \$21 a year. The National Protective Association of Rockford, Ill., has been very successful and there is a still larger one at Peoria. The insuring clause is somewhat odd, as it promises only to pay the \$250 for the purpose of furthering the association's aims in the matter of eliminating mercantile crime. What the members seem to expect and apparently get is indemnity for the losses described.

Celebrate Winning Cup

LOS ANGELES, Feb. 17.—Celebrating the winning of the Davis Cup contest, nearly 100 agents and guests of the Los Angeles office of the United States Fidelity & Guaranty participated in a three-day outing at Lake Norconian Country Club.

Home office executives present at the meeting were: R. Howard Bland, chairman of the board; Philip F. Lee, vice-president; J. D. Hall and O. R. Leeds, assistant agency directors; J. D. Williams, superintendent judicial department; C. J. Fitzpatrick, vice-president and secretary.

BANKERS INDEMNITY INSURANCE COMPANY

Home Office—15 Washington Street, Newark, N. J.

C. W. Bailey, Chairman of the Board

H. P. Jackson, President

FINANCIAL STATEMENT, DECEMBER 31, 1936

ADMITTED ASSETS

*Bonds and Stocks	\$4,058,760.19
†First Mortgages on Real Estate	488,980.03
Real Estate	90,106.73
Cash in Banks and Office ..	799,373.38
Premiums Outstanding (Not over 3 months due)	905,895.97
Interest Accrued	35,038.56
Other Admitted Assets	4,083.25
	*\$6,382,238.11

LIABILITIES

Premium Reserve	\$1,600,730.00
Claim Reserve	2,246,207.00
Commissions to become due ..	179,110.86
Taxes, Expenses, etc. Payable	89,969.49
Voluntary Contingent Reserve	316,220.76
Capital	800,000.00
*Surplus	1,150,000.00
	\$6,382,238.11

SURPLUS TO POLICYHOLDERS \$1,950,000.00

Note: Securities carried at \$434,386.30 in the above statement are deposited as required by law.

†Includes \$253,355.03 in F.H.A. mortgages insured under provisions of the National Housing Act.

*On the basis of December 31, 1936 actual market quotations for all bonds and stocks owned, this Company's total Admitted Assets would be increased to \$6,501,027.92 and Surplus to \$1,268,769.81.

ONE OF THE AMERICAN GROUP

COMPENSATION

Retrospective Plan Now Up

New York Department Will Give Hearing on the Recommendation of Compensation Rating Board

The Compensation Insurance Rating Board of New York has submitted to Superintendent Pink of that state the retrospective rating plan for compensation insurance. The hearing will be held Feb. 26 at the State Office building, 80 Centre street, New York City.

The new plan provides for a minimum premium which bears a fixed ratio to the standard premium but in a progressively reducing ratio as the standard premium for a risk increases. As an illustration where the standard premium is \$10,000, the minimum premium is 70 percent of that sum; where it is \$25,000, the minimum is 60 percent; and where it is \$150,000 or over, the minimum is 50 percent. The plan also calls for the collection of additional premium dependent upon the experience of the risk but not to exceed a maximum premium which bears a fixed ratio to the standard premium.

This maximum premium represents a progressively reducing ratio of the standard premium as the standard premium for a risk increases; for example, on a risk where the standard premium is \$10,000, the maximum premium would be 165 percent of that sum; where the standard premium is \$25,000, the maximum is 140 percent; and where the standard premium is \$150,000 or over, the maximum is 125 percent.

Briefly, the plan contemplates that assured eligible to coverage under it would be charged a premium ranging between the minimum and maximum amounts, dependent upon the loss experience.

The loading for expenses and contingencies reduces in percentage as the premium charged progresses upward from the minimum toward the maximum. Only risks having a standard premium of \$10,000 or upwards per year are eligible.

Among the subjects upon which the proponents and opponents of the plan will be heard are the following:

1. Does the plan contain features which result in unfair discrimination under the New York law?
 2. Does the plan produce adequate and reasonable rates?
 3. Should interstate rating be permitted?
 4. Does the plan contain any feature that is contrary to public policy?
- Hearing was first set for Feb. 25. The retrospective plan sponsored by the stock companies was opposed by the non-stock people.

Virginia High-Low Hearing

RICHMOND, VA., Feb. 17.—Hearing on petition of companies writing workmen's compensation in Virginia seeking establishment of a retrospective plan for that line of coverage was held this week before the state corporation commission. The commission took the matter under advisement.

Conquer Silicosis

MADISON, WIS., Feb. 17.—Appearing before the joint finance committee of the legislature at its budget hearing, Voyta Wrabetz, chairman of the Wisconsin industrial commission, said that the silicosis problem in Wisconsin has been virtually mastered and workers in the stone cutting, foundry and other industries where that lung disease prevailed, will soon be immune from it. In five years the silicosis problem may no longer exist in this state, which is 15 years ahead of any other state in this respect, he stated. Industries where the disease is likely to be contracted have put in modern machinery and

equipment to alleviate the dust poison dangers, in cooperation with efforts of insurance companies writing workmen's compensation hazards and the commission. The commission is asking funds in its new budget to engage an expert in dust evils to give assistance to owners of industries where the dust problem is likely to exist.

To Resubmit Plan

KANSAS CITY, Feb. 17.—The retrospective rating plan, it is understood, will be resubmitted to the Missouri department very shortly by the National Bureau of Casualty & Surety Underwriters.

The bureau submitted it and then withdrew it last fall after opposition developed. The plan has been submitted to the Kansas department and is under consideration.

Kentucky Hearing Postponed

Due to flood conditions, the hearing by the workmen's compensation board of Kentucky on the retrospective rating plan, which was to have been held Feb. 2, has gone over until March 3.

Favors State Rating

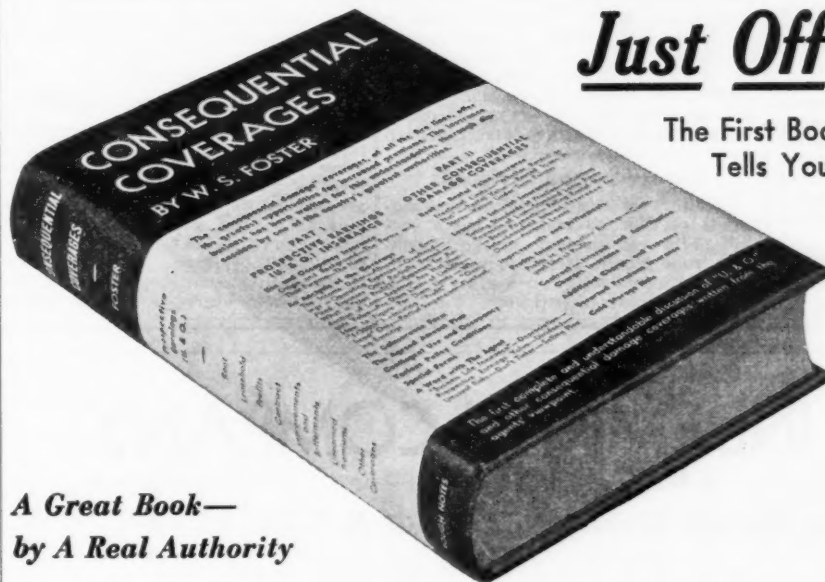
LINCOLN, NEB., Feb. 17.—In speaking to the Nebraska Telephone Associa-

tion, F. M. Coffey, presiding judge of the Nebraska compensation court, said that he favors the creation of a state board to fix rates for compensation insurance. Rates are higher than in bordering states, he said.

Grinstead General Manager

L. H. Grinstead, former comptroller, has been elected secretary and general manager of the Beacon Mutual Indemnity, Columbus, O. He was one of the organizers of the company.

The General Casualty, Madison, Wis., has been licensed in Iowa.



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Cold Storage Risks
Cattle Risks

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NEWS OF CASUALTY COMPANIES

Western Companies' Figures

Some of the Items from the Annual Statement Show the Progress of the Year

The Western Casualty & Surety and Western Fire of Fort Scott, Kan., have released their annual statements. The Western Casualty shows assets \$3,713,129 of which \$1,624,451 are bonds. It owns \$1,008,018 stock of the Western Fire. It has cash \$389,235. Its loss reserve is \$1,144,904, premium reserve \$1,270,196, capital \$750,000, net surplus \$308,201.

The Western Fire shows assets \$1,513,191 of which \$1,077,511 are bonds and stocks, \$111,398 cash. Its premium reserve is \$426,611, capital \$500,000, net surplus \$502,499. The premiums of the two companies were \$3,787,033, increase \$576,204. The combined assets show a gain of \$454,240 and the surplus \$123,071.

Now Union Farmers Mutual

The Farm Union Mutual Automobile of Ohio has changed its name to the

Union Farmers Mutual Casualty. John A. Kirwan is president and C. M. Sperry, secretary.

Globe Indemnity Is Well Fortified with Reserves

The Globe Indemnity assets are now \$35,664,265 of which \$1,080,463 are in cash, \$15,829,045 federal bonds, \$14,057,008 other bonds and stocks. Its claim reserve is \$14,421,002, premium reserve \$6,492,641. There is a reserve for losses, unreported or undeveloped, \$2,200,000. It has a voluntary reserve for contingencies \$3,741,403, capital \$2,500,000, net surplus \$5,000,000. It will thus be seen that the Globe Indemnity has a remarkably strong reserve ballast.

Paying Second Dividend

Creditors of the Central States Motorists of Chicago are receiving a second 25-percent dividend on the liquidation from H. B. Hershey, receiver in the insurance liquidation bureau of the Illinois insurance department. The dis-

tribution was ordered by the circuit court of Cook county, Ill., on Jan. 28 of this year. The insurance department was named liquidator in January, 1934.

In his letter to creditors Mr. Hershey states that he is unable to suggest when any further distribution, if any, will be possible.

General Accident's Year

The General Accident in its statement shows assets \$32,009,590 of which \$6,469,000 are federal bonds, \$3,101,631 other public bonds, \$15,706,140 other bonds and stocks, \$8,200,545, premium reserve \$9,171,209, loss reserve, \$2,000,000 general contingency reserve, \$820,697, additional voluntary reserve, deposit capital \$550,000, net surplus \$9,583,151. The General Accident is well ballasted in its reserve account.

Hartford Accident Results

Sharp increases in assets, premium reserve, net surplus and voluntary reserve are reported in the annual statement of the Hartford Accident. Assets are \$64,366,075, gain \$8,654,132; net surplus \$14,000,000, gain \$4,000,000; voluntary reserve \$5,528,925, compared with \$3,635,397 a year ago. Premium reserve amounts to \$14,001,460, compared with \$13,408,086 a year ago. Claim reserve

amounts to \$24,986,157, compared with \$23,065,330. Premium income was \$34,936,572, an increase of \$2,419,513. Investment income was \$1,663,041 and underwriting gain was \$3,020,010, an increase of \$2,232,796.

Must License Lloyds America

LITTLE ROCK, ARK., Feb. 17.—On the showing of Lloyds America of San Antonio, that it has \$580,619 assets, \$154,000 reserve liability, \$209,611 surplus to policyholders and a deposit of \$118,000 with the state of Texas, the Arkansas supreme court has granted its petition for mandamus to compel Commissioner Harrison to license it in Arkansas.

Former Commissioner Gentry refused the license, citing the Arkansas law that requires minimum paid in capital of \$100,000 and surplus of \$50,000. The supreme court held that the requirements are applicable to "capital structure" rather than to "capital."

Shows 25 Percent Premium Gain

An increase of about \$1,000,000 or 25 percent in premium income was recorded by the Fireman's Fund Indemnity in 1936. The writings were \$5,142,000, as compared with \$4,190,000 in 1935. Assets are now \$9,145,000 and policyholders surplus \$3,595,000.

As in the case of the other companies in the Fireman's Fund group, J. B. Levison was elected chairman, being succeeded as president by Charles R. Page, former vice-president.

National Casualty Figures

The National Casualty shows assets \$3,696,679, premium reserve \$706,343, claim reserve \$609,193, voluntary contingency reserve \$307,208, capital \$750,000, net surplus \$750,000. The administration of its casualty and surety business is transacted under the supervision of the Continental Casualty at Chicago. The supervision of its accident and health business is conducted from its home office. The company works in mutual relation with the Continental Casualty, its running mate the Continental Assurance and the National Fire of Hartford. On its board are H. A. Behrens, chairman Continental Casualty; Manton Maverick, honorary vice-president Continental Casualty; M. P. Cornelius, president Continental Casualty.

Representing the National Fire are President F. D. Layton and George H. Bell of Chicago, manager western department.

Casualty Company Notes

The Republic Mutual, Columbus, O., has added D. D. Hubbell, Dr. R. S. Licklider, H. J. Wildermuth, W. C. Cheshbrough and Arthur Wells to directors.

A new three-story home office building is being built at Rimpau and Wilshire boulevards in Los Angeles for the Farmers Automobile Inter-Insurance Exchange and the Truck Insurance Exchange.

San Francisco Safety Luncheon

SAN FRANCISCO, Feb. 17.—More than 500 city officials, police officers, business and insurance executives attended the annual "safety luncheon." A traffic safety trophy, contributed by the Fireman's Fund Indemnity, was presented by Mayor Rossi to the police district making the best safety record in 1936.

Speakers were B. G. Wills, vice-president Fireman's Fund Indemnity and chairman advisory council San Francisco Council for the Reduction of Automobile Accidents; Charles Ruggles, chairman safety committee Junior Chamber of Commerce, and Guy C. Macdonald, secretary safety council. Phillip Landis of Hinchman, Rolph & Landis, president of the Junior Chamber of Commerce, presided.

A. W. Collins, former United States manager of the Zurich, is vacationing in southern Arizona.

GLOBE INDEMNITY COMPANY

A. Duncan Reid, President

150 WILLIAM STREET, NEW YORK, N. Y.

Financial Statement, December 31, 1936

ASSETS

Cash in Office and Banks.....	\$ 1,080,463.39
United States Government Bonds.....	15,829,044.78
State, Railroad and Other Bonds and Stocks.....	14,057,007.56
Real Estate.....	1,000,000.00
Premiums in Course of Collection not more than three months due.....	2,845,724.67
Interest and Rents Due and Accrued.....	217,792.66
Sundry Balances Due.....	634,231.54
TOTAL ADMITTED ASSETS.....	\$35,664,264.60

LIABILITIES

Reserve for Claims.....	14,421,002.18
Reserve for Unearned Premiums.....	6,492,641.11
Reserve for Commissions on Uncollected Premiums.....	538,218.29
Reserve for Taxes and Sundry Accounts.....	771,000.00
22,222,861.58	
Reserve for Losses—Unreported or Undeveloped.....	2,200,000.00
Voluntary Reserve for Contingencies including fluctuation in Market Value of Securities.....	3,741,403.02
CAPITAL.....	2,500,000.00
SURPLUS.....	5,000,000.00
7,500,000.00	
\$35,664,264.60	

SURPLUS TO POLICYHOLDERS \$7,500,000.00

Securities carried at \$817,373.62 in the above statement are deposited as required by law.

Bonds & Stocks Valued on New York Insurance Department's Basis.

On the basis of December 31st, 1936 market quotations for all bonds and stocks owned, this Company's total admitted assets would be increased to \$37,232,161.26 and the voluntary reserve for contingencies, including fluctuation in market value of securities to \$5,309,299.68.

Fidelity and Surety Bonds

Casualty Insurance of All Classes

CASUALTY COMPANY STATEMENTS

Benefit Assn. of Rail. Employ., Ill.—Assets, \$2,129,984; inc., \$115,656; unearned prem., \$127,173; loss res., \$676,692; surplus, \$1,233,776; inc., \$3,511. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident & health...	\$2,822,964	\$1,597,948

Freeport Motor Cas., Ill.—Assets, \$1,051,792; inc., \$105,244; unearned prem., \$269,575; loss res., \$13,329; liab. res., \$103,582; capital, \$200,000; surplus, \$326,488; inc., \$17,291. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto fire & theft...	78,237	12,835
Auto liability	308,363	113,144
Auto prop. damage.	131,536	47,716
Auto collision	90,189	36,838
Total	608,325	210,533

Illinois Casualty—Assets, \$556,030; inc., \$52,613; unearned prem., \$170,855; loss res., \$9,207; liab. res., \$80,767; capital, \$200,000; surplus, \$61,234; dec., \$3,925. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	194,848	78,970
Fire	22,190	7,195
Wind	5,876	1,216
Burglary and theft.	25,416	3,368
Auto prop. damage.	84,876	29,754
Auto collision	60,072	30,156
Total	393,281	150,662

Limited Mut. Comp., Cal.—Assets, \$526,601; inc., \$122,329; unearned prem., \$118,405; comp. res., \$323,725; surplus, \$55,246; inc., \$34,720. Experience on principal lines:

	Net Prems.	Losses Pd.
Workmen's comp. ...	\$549,692	\$209,107

Minn. Farmers Mut. Cas.—Assets, \$208,546; inc., \$33,080; unearned prem., \$63,459; loss res., \$6,090; liab. res., \$36,115; surplus, \$109,591 (incl. \$100,000 guaranty fund); inc., \$9,876. Experience on principal lines:

	Net Prems.	Losses Pd.
Fire & theft	21,074	4,475
Auto liability	55,006	23,736
Auto prop. damage.	30,816	8,251
Auto collision	20,251	15,031
Total	127,147	51,494

National Auto., Cal.—Assets, \$2,864,134; inc., \$911,233; unearned prem., \$776,893; loss res., \$32,483; liab. res., \$62,897; comp. res., \$1,332,632; capital, \$300,000; surplus, \$178,746; inc., \$40,196. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	31,637	12,383
Other liability	81,642	30,386
Workmen's comp. ...	2,071,152	614,595
Fidelity	2,170	22
Surety	31,142	5,605
Burglary and theft.	1,557	867
All other auto	130,098	22,598
Auto prop. damage.	8,930	3,457
Auto collision	55,425	19,139
Other P. D. and coll.	4,091	218
Total	\$2,417,844	\$719,270

Associated Indem.—Assets, \$5,077,663; inc., \$656,982; unearned prem., \$947,345; loss res., \$110,413; liab. res., \$574,125; comp. res., \$1,181,911; capital, \$750,000; surplus, \$1,177,485; inc., \$1,201 (after transfer of \$250,000 surplus to capital). Experience on principal lines:

	Net Prems.	Losses Pd.
Accident	1,825	516
Health	5,491	2,766
Auto liability	773,281	499,972
Other liability	391,358	107,970
Workmen's comp. ...	1,994,022	928,564
Fidelity	16,148	52
Surety	11,293	17,209
Plate glass	44,637	43,395
Burglary and theft.	15,547	6,874
Auto prop. damage.	279,203	102,875
Auto collision	100,011	54,773
Auto all other	7,750	4,290
Total	\$3,640,505	\$1,769,153

Iowa Mut. Cas. Assn.—Assets, \$198,561; inc., \$46,392; unearned prem., \$78,250; loss res., \$7,816; surplus, \$50,943; inc., \$4,831.

Highway Ins. Under., Tex.—Assets, \$144,196; inc., \$77,832; loss res., \$8,075; surplus, \$69,799; inc., \$43,143.

Hardware Mut. Cas.—Assets, \$8,509,839; inc., \$1,176,761; unearned prem., \$3,452,991; loss res., \$196,531; liab. res., \$1,809,097; comp. res., \$936,753; guaranty fund, \$500,000; surplus, \$1,200,306; inc., \$279,353. Market value of all bonds and

stock would increase admitted assets to \$8,857,197, and surplus to \$2,047,664. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident	2,080	
Auto liability	\$4,190,172	1,875,064
Other liability	322,208	76,099
Workmen's comp. ...	2,082,202	833,944
Plate glass	168,896	67,690
Burglary and theft.	120,951	25,339
Auto prop. damage.	1,266,256	434,599
Auto collision	358,811	191,082
Other P. D. and Coll.	27,982	3,338
Total	\$8,537,478	\$3,509,735

Connecticut Indem.—Assets, \$1,095,487; inc., \$182,881; unearned prem., \$206,835; loss res., \$12,885; liab. res., \$129,862; capital, \$250,000; surplus, \$455,606; inc., \$74,325. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	323,944	96,794
Auto prop. damage.	103,798	27,724
Total	427,741	124,518

Mass. Bonding—Assets, \$20,143,018; inc., \$2,458,301; unearned prem., \$4,959,158; loss res., \$2,079,896; liab. res., \$3,807,487; comp. res., \$1,882,195; capital, \$2,000,000; surplus, \$3,758,625; inc., \$786,523. Market

values would increase assets and surplus by \$268,868. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident	\$1,101,441	\$444,340
Health	818,343	350,837
Auto liability	3,971,270	2,438,791
Other liability	1,848,649	722,595
Workmen's comp. ...	2,418,445	1,237,391
Fidelity	1,173,709	318,907
Surety	1,122,803	375,188
Plate glass	271,620	119,241
Burglary and theft.	399,278	85,023
Auto prop. damage.	1,060,242	375,584
Auto collision	13,248	7,267
Other P. D. and coll.	61,094	16,407
Total	\$14,260,143	\$6,491,570

Missouri Casualty—Assets, \$36,437; inc., \$4,659; unearned prem., \$15,769; liab. res., \$6,573; surplus, \$12,175; inc., \$6,576. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	19,304	8,212
Auto	1,246	469
Auto prop. damage.	10,119	1,805

Progressive Mut. Assur., Minn.—Assets, \$31,347; unearned prem., \$4,579; loss res., \$3,932; surplus, \$22,715. Experience:

	Net Prems.	Losses Pd.
Accident and health...	\$55,902	\$24,006

Selected Risks Indem., N. J.—Assets, \$1,108,843; inc., \$175,713; unearned prem., \$270,413; loss res., \$41,111; liab. res., \$209,084; comp. res., \$64,896; capital,

\$225,000; surplus, \$225,000; inc., \$16,638; voluntary special reserve, \$28,000. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	348,565	106,641
Other liability	1,369	627
Workmen's comp. ...	116,560	34,902
Auto prop. damage.	126,395	37,687
Total	593,102	179,857

Nat'l Acci. & Health, Pa.—Assets, \$443,217; inc., \$32,898; unearned prem., \$30,627; loss res., \$69,550; capital, \$150,000; surplus, \$165,000; inc., \$11,118. Experience:

	Net Prems.	Losses Pd.
Accident and health...	\$635,064	\$214,119

Seaboard Surety—Assets, \$4,053,195; inc., \$979,924; unearned prem., \$715,016; loss res., \$451,148; capital, \$1,000,000; surplus, \$1,324,040; inc., \$487,384. Experience on principal lines:

	Net Prems.	Losses Pd.
Fidelity	127,425	11,571
Surety	1,269,080	123,380
Total	\$1,396,506	\$134,951

Hartford Live Stock—Assets, \$1,343,500; inc., \$107,133; unearned prem., \$227,916; loss res., \$33,491; capital, \$500,000; surplus, \$532,475; inc., \$57,593. Experience on principal lines:

	Net Prems.	Losses Pd.
Live stock	\$466,246	\$299,017

Reserve Mut. Cas., Mo.—Assets, \$60,251; inc., \$26,973; unearned prem., \$15,-

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095; loss res., \$97; surplus, \$40,627; inc., \$13,152. Experience on principal lines:
 Net Prems. Losses Pd.
 Surety \$ 6,154
 Auto and misc. 8,490 1,230
 Total \$ 14,595 \$ 1,230

Celina Mut. Cas., O.—Assets, \$747,064 (market values); inc., \$173,219; unearned prem., \$235,313; loss res., \$28,545; liab. res., \$153,468; surplus, \$279,932; inc., \$39,019. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	\$ 304,855	\$ 103,119
Auto fire	19,975	5,099
Cargo	678	53
Auto theft	15,919	3,116
Auto tornado	3,804	403
Auto prop. damage.	139,068	42,694
Auto collision	37,151	20,570
Comprehensive	1,429	488

Total \$ 522,881 \$ 175,546
 *Securities at market value.

West American, Cal.—Assets, \$1,276,973; inc., \$174,765; unearned prem., \$647,572; loss res., \$46,739; comp. res., \$2,699; capital, \$250,000; surplus, \$282,427; dec., \$25,742. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto collision	\$ 439,379	\$ 175,778
All other auto	650,335	136,497

Northwestern Nat'l Cas., Wis.—Assets, \$1,387,824; inc., \$210,244; unearned prem., \$361,050; loss res., \$27,595; liab. res., \$246,259; capital, \$200,000; surplus, \$437,-

465; inc., \$49,079. Securities at market value. Experience on principal lines:
 Net Prems. Losses Pd.
 Auto liability \$ 503,099 \$ 220,465
 Auto prop. damage. 208,787 60,564
 Auto collision 9,475 8,011

Mercer Casualty, O.—Assets, \$972,934 (market values); inc., \$72,853; unearned prem., \$249,803; loss res., \$31,091; liab. res., \$177,944; capital, \$250,000; surplus, \$241,408; inc., \$59,447. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	\$ 322,855	\$ 173,145
Other liability	2,007	300
Auto fire	26,686	3,633
Cargo	2,854	249
Plate glass	10,706	6,712
Auto theft	25,237	5,806
Auto tornado	4,460	1,116
Comprehensive	2,061	1,061
Auto prop. damage.	127,792	42,330
Auto collision	47,540	23,280

*Securities at market value.

Business Men's Assur.—Assets, \$13,938,732; unearned prem., \$465,121; loss res., \$1,543,036; non-can. A. & H. res., \$57,140; capital, \$500,000; surplus, \$637,099; inc., \$31,675. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident	\$ 832,623	\$ 402,543
Health	906,244	570,895
Non-canc. H. & A.	79,998	54,536

Northwest Cas., Wash.—Assets, \$1,606,747; inc., \$151,296; unearned prem., \$553,338; loss res., \$26,007; liab. res., \$254,765;

capital, \$250,000; surplus, \$476,214; inc., \$108,516. Experience on principal lines:
 Net Prems. Losses Pd.
 Auto liability \$ 738,890 \$ 306,745
 Other liability 28,305 3,910
 Plate glass 18,710 6,705
 Burglary and theft. 26,400 6,831
 Auto prop. damage. 120,347 43,337
 Auto collision 95,059 52,069
 Other P. D. and Col. 1,196 5
 Other auto 44,876 13,013

Total \$1,073,786 \$ 432,618

American Gen. Tex.—Assets, \$1,696,035; inc., \$385,850; unearned prem., \$445,261; loss res., \$41,308; liab. res., \$74,447; comp. res., \$49,839; capital, \$500,000; surplus, \$535,572; inc., \$110,461. Experience on principal lines:

	Net Prems.	Losses Pd.
Fire	\$ 166,447	\$ 35,037
Tornado	32,795	6,262
Motor vehicle	92,730	28,955
Auto liability	168,163	39,255
Other liability	2,278	4,490
Workmen's comp.	141,124	64,344
Fidelity	2,456	—88
Surety	59,693	—1,465
Plate glass	17,151	5,785
Burglary and theft.	2,811	382
All other	3,231	108
Auto prop. damage.	55,126	19,476
Auto collision	59,221	36,084

Total \$ 799,061 \$ 238,690

American Bond, Md.—Assets, \$1,891,755; inc., \$104,327; unearned prem., \$713,794; loss res., \$416,076; capital, \$1,000,-

000; surplus, \$646,417; inc., \$101,719. Experience on principal lines:
 Prem.* Losses Pd.
 Fidelity \$ 565,182 \$ 132,649
 Surety 446,374 178,866
 Plate glass 44,958 17,094
 Burglary and theft. 184,408 58,212
 Total \$1,240,922 \$ 386,821
 *Reinsured 100 percent by Fidelity & Deposit.
 †Premium and loss reserves carried by Fidelity & Deposit.

Hartford Steam Boiler—Assets, \$19,395,291; inc., \$252,239; unearned prem., \$6,765,043; loss res., \$463,395; capital, \$3,000,000; surplus, \$7,955,253; inc., \$90,267. Experience on principal lines:

	Net Prems.	Losses Pd.
Steam boiler	\$3,132,620	\$ 492,846
Engine and mach.	1,502,106	620,868

Total \$4,634,726 \$ 1,113,714

Loyal Prot., Mass.—Assets, \$1,631,026; inc., \$152,685; unearned prem., \$159,335; loss res., \$269,934; non-can. A. & H. res., \$94,464; capital, \$200,000; surplus, \$740,099; inc., \$119,917. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident and health.	\$ 754,918	\$ 413,866
Non-canc. H. & A.	455,358	158,599

Total \$1,210,276 \$ 572,465

Mass. Prot. Assn.—Assets, \$9,785,883; inc., \$814,665; unearned prem., \$1,342,368; loss res., \$2,736,893; non-can. A. & H. res., \$1,579,196; capital, \$1,000,000; surplus, \$2,794,465; inc., \$778,270. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident and health.	\$ 243,464	\$ 182,684
Non-canc. H. & A.	6,535,537	3,615,141

Total \$6,779,001 \$3,797,825

Mutual Benefit H. & A.—Assets, \$4,692,073; inc., \$867,440; unearned prem., \$1,067,512; claim reserve, \$2,287,352; non-can. A. & H. res., \$227,306; surplus, \$400,000. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident and health & non-can. H. & A.	\$8,854,970	\$4,483,932

Total \$8,854,970 \$4,483,932

National Prot. Mo.—Assets, \$431,623; inc., \$110,585; unearned prem., \$121,114; loss res., \$51,273; capital, \$25,000; surplus, \$143,811; inc., \$34,312. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident	\$ 419,968	\$ 118,901
Health	238,883	57,407

Total \$ 658,851 \$ 176,308

Buckeye Union Cas.—Assets, \$1,961,014; inc., \$575,581; unearned prem., \$455,568; loss res., \$25,370; liab. res., \$596,238; capital, \$300,000; surplus, \$241,386; dec., \$26,221. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto accident	\$ 10,256	\$ 4,216
Auto fire	53,882	10,635
Auto liability	769,320	200,228
Other liability	78,281	6,151
Auto theft	56,057	17,372
Auto tornado	13,876	1,540
Plate glass	27,483	15,355
Burglary and theft.	27,406	5,912
Auto prop. damage.	331,657	108,872
Auto collision	110,162	65,544
Other P. D. and Col.	12,014	379

Total \$1,490,577 \$ 436,757

U. S. Guarantee, N. Y.—Assets, \$14,275,711; inc., \$2,261,805; unearned prem., \$2,569,525; loss res., \$616,103; liab. res., \$1,860,090; comp. res., \$99,764; capital, \$2,000,000; surplus, \$5,227,916; inc., \$415,173. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	\$1,696,108	\$ 686,072
Other liability	652,374	183,537
Workmen's comp.	156,391	47,555
Fidelity	687,428	167,877
Surety	952,888	70,000
Plate glass	43,890	26,579
Burglary and theft.	386,608	120,254
Auto prop. damage.	449,129	162,707
Auto collision	6,915	2,748
Other P. D. and coll.	31,316	4,004

Total \$5,063,557 \$1,472,174

American Cas., Pa.—Assets, \$2,522,107; inc., \$116,631; unearned prem., \$744,751; loss res., \$63,934; liab. res., \$419,850; comp. res., \$131,662; capital, \$500,000;

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surplus, \$350,000; inc., \$35,157. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident and health.....	95,991	38,663
Auto liability.....	867,631	415,944
Other liability.....	67,695	55,644
Workmen's comp.....	192,980	83,885
Plate glass.....	46,688	25,077
Burglary and theft.....	18,705	3,464
Auto prop. damage.....	323,221	107,339
Auto collision.....	10,260	4,482
Other P. D. and Col.....	1,127	393

Commercial Trav. Mut. Acci., N. Y.—Assets, \$2,612,071; inc., \$319,925; loss res., \$856,298; surplus, \$869,026; inc., \$130,324. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident.....	\$2,586,171	\$2,343,633

Employers of Ala.—Assets, \$322,450; inc., \$54,274; unearned prem., \$92,953; liab. res., \$37,150; comp. res., \$38,520; capital, \$100,000; surplus, \$40,025; inc., \$9,316. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability.....	76,823	27,200
Other liability.....	12,364	170
Workmen's comp.....	182,439	78,213
Fire and theft.....	11,895	1,229
Auto prop. damage.....	20,927	5,387
Auto collision.....	6,124	3,180
Other P. D. and Col.....	1,461	66

Ill. Nat'l Cas.—Assets, \$656,322; inc., \$61,166; unearned prem., \$215,501; loss res., \$97,164; capital, \$200,000; surplus, \$75,000; inc., \$13,403. Experience on principal lines:

	Net Prems.	Losses Pd.
Fire and windstorm (auto).....	37,537	7,753
Auto liability.....	204,160	96,281
Plate glass.....	1,040	199
Burglary and theft, auto.....	33,356	5,454
Auto prop. damage.....	101,652	32,690
Auto collision.....	99,180	57,359

Continental Cas., Ill.—Assets, \$29,003,909; inc., \$4,242,220; unearned prem., \$6,728,335; loss res., \$5,228,079; liab. res., \$3,400,768; comp. res., \$2,151,678; non-can. A. & H. res., \$1,396,838; capital, \$1,750,000; surplus, \$3,903,196; inc., \$736,805. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident.....	\$2,779,956	\$1,075,772
Health.....	2,031,685	1,030,444
Non-can. H. & A.....	743,999	802,096
Auto liability.....	4,191,982	1,681,562
Other liability.....	1,889,961	515,835
Workmen's comp.....	3,347,659	1,234,989
Fidelity.....	549,939	139,794
Surety.....	1,056,506	159,639
Plate glass.....	315,670	132,347
Burglary and theft.....	547,200	98,804
Steam boiler.....	67,676	3,142
Engine and mach.....	6,554	367
Auto prop. damage.....	1,247,362	407,154
Auto collision.....	43,958	28,483
Other P. D. and Col.....	73,124	6,899

Total.....\$18,893,261 \$7,318,294

Maryland Cas.—Assets, \$38,664,113; inc., \$2,174,961; unearned prem., \$11,035,091; loss res., \$3,621,091; liab. res., \$4,961,685; comp. res., \$5,662,992; capital, \$2,799,143; surplus, \$5,476,241; inc., \$912,596. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident.....	\$1,082,959	\$491,096
Health.....	164,487	107,141
Auto liability.....	6,019,979	3,908,117
Other liability.....	2,985,594	1,465,411
Workmen's comp.....	6,844,613	4,425,015
Fidelity.....	1,517,746	636,546
Surety.....	2,841,544	1,670,907
Plate glass.....	411,626	184,629
Burglary and theft.....	1,195,141	378,676
Steam boiler.....	470,500	59,578
Engine and mach.....	77,933	63,152
Auto prop. damage.....	1,838,213	874,667
Auto collision.....	81,064	62,329
Other P. D. and Col.....	154,551	56,127
Sprinkler & W. Dmg.....	108,409	49,649

Total.....\$25,794,359 \$14,433,040

State Auto & Mut., O.—Assets, \$5,000,451; inc., \$792,826; unearned prem., \$1,765,978; loss res., \$191,559; liab. res., \$1,122,428; surplus, \$1,000,000; inc., \$100,000. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability.....	\$2,189,949	\$846,038
Other liability.....	9,240	1,414
Cyclone.....	24,258	4,447
Cargo.....	11,457	3,668
Plate glass.....	7,580	3,135
Burglary and theft.....	222,926	42,262
Fire.....	201,591	34,203
Comprehensive.....	12,740	1,574
Auto prop. damage.....	747,905	342,739
Auto collision.....	427,890	261,427
Other.....	9,653	4,084

Total.....\$3,865,199 \$1,544,991

U. S. Casualty—Assets, \$8,529,609; inc., \$891,418; unearned prem., \$2,145,325; loss

res., \$402,838; liab. res., \$1,392,076; comp. res., \$1,602,096; capital, \$1,000,000; surplus, \$2,000,000; inc., \$1,300,000. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident.....	237,476	100,243
Health.....	94,858	56,306
Auto liability.....	1,283,119	856,865
Other liability.....	1,024,652	410,995
Workmen's comp.....	1,847,185	1,017,043
Fidelity.....	108,173	11,278
Surety.....	198,403	79,500
Plate glass.....	94,650	9,700
Burglary and theft.....	222,509	92,234
Auto prop. damage.....	333,412	145,472
Auto collision.....	15,738	7,826
Other P. D. and Col.....	43,751	8,569

Total.....\$5,503,926 \$2,796,031

Amer. Farmers Mut. Auto., Minn.—Assets, \$61,684; inc., \$26,141; unearned prem., \$19,252; loss res., \$1,204; liab. res., \$7,522; surplus, \$26,474; inc., \$4,253. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability.....	31,223	7,172
Fire and theft.....	7,157	716
Auto prop. damage.....	17,461	6,361
Auto collision.....	11,759	6,136
Membership fees.....	15,296	.....

Total.....\$82,896 \$20,386

U. S. F. & G.—Assets, \$46,735,859; inc., \$1,192,717; unearned prem., \$13,719,093; loss res., \$5,465,265; liab. res., \$6,216,222; comp. res., \$7,273,477; non-can. A. & H.

res., \$13,350; capital, \$2,000,000; surplus, \$7,329,395; inc., \$57,112; contingency reserve, \$1,500,000. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident.....	835,601	329,446
Health.....	172,107	130,044
Non-can. H. & A.....	4,393	10,393
Auto liability.....	6,475,476	3,170,737
Other liability.....	4,805,593	1,653,088
Workmen's comp.....	7,162,711	3,892,771
Fidelity.....	3,633,087	824,178
Surety.....	5,312,006	2,505,754
Plate glass.....	518,517	215,048
Burglary and theft.....	1,536,380	378,815
Water damage.....	11,695	5,711
Auto prop. damage.....	1,847,359	685,916
Auto collision.....	235,757	127,408
Other P. D. and Col.....	313,532	33,317

Great Lakes Cas., Mich.—Assets, \$1,165,608; inc., \$153,661; unearned prem., \$606,966; loss res., \$42,556; liab. res., \$109,179; capital, \$300,000; surplus, \$200,000. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability.....	272,069	117,978
Other liability.....	80,146	21,448
Plate glass.....	49,317	20,541
Burglary and theft.....	8,522	3,090
Auto prop. damage.....	225,361	61,773
Auto collision.....	37,262	23,149
Other P. D. and Col.....	8,510	1,723

Total.....\$681,687 \$249,674

U. S. Mut. Liab., Mass.—Assets, \$644,570; inc., \$109,247; unearned prem., \$14,-

922; liab. res., \$50,513; comp. res., \$234,984; surplus, \$321,473; inc., \$85,603. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability.....	38,084	9,792
Workmen's comp.....	166,126	70,854

Inter-Ins., Exch. of Chgo. Motor Club—Assets, \$3,862,774; inc., \$252,991; unearned prem., \$714,299; loss res., \$556,409; surplus, \$2,078,380; not including contingency reserve, \$300,000; inc., \$26,587. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto tornado.....	12,451	1,337
Auto fire.....	58,906	12,368
Auto theft.....	216,590	20,217
Auto liability.....	1,016,245	295,991
Auto plate glass.....	5,198	1,154
Miscellaneous.....	39,406	1,674
Auto prop. damage.....	340,704	83,730
Auto collision.....	332,630	150,146


Total.....\$2,022,133 \$567,121

Greater N. Y. Taxpayers Mut.—Assets, \$2,821,356; inc., \$95,231; unearned prem., \$750,022; liab. res., \$1,382,238; surplus, \$585,602; inc., \$256,079. Experience on principal lines:

	Net Prems.	Losses Pd.
Other liability.....	\$1,485,578	\$667,101

Total.....\$1,485,578 \$667,101

General Accident—Assets, \$32,009,590; inc., \$3,440,458; unearned prem., \$3,200,545; loss res., \$830,555; liab. res., \$5,442,-

1890  1937

FIDELITY AND DEPOSIT COMPANY

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FIDELITY AND SURETY BONDS
BURGLARY, ROBBERY, FORGERY
AND GLASS INSURANCE

178; comp. res., \$2,898,476; deposit, \$550,000; surplus, \$9,583,151; inc., \$1,669,871. Experience on principal lines:

	Net Prems.	Losses Pd.
Accident	\$ 594,106	\$ 227,869
Health	385,336	149,939
Auto liability	9,005,480	3,829,165
Other liability	1,448,108	508,176
Workmen's comp. ..	3,287,457	1,743,886
Plate glass	226,472	134,116
Burglary and theft ..	585,686	180,474
Steam boiler	42,408	4,751
Engine and mach. ..	6,166	465
Auto prop. damage ..	2,278,478	800,559
Auto collision	195,275	89,258
Other P. D. and Col.	57,003	11,163

Total\$18,111,975 \$7,670,821

Jamestown Mut., N. Y.—Assets, \$1,757,617; inc., \$374,752; unearned prem., \$436,473; loss res., \$19,105; liab. res., \$268,574; comp. res., \$383,301; surplus, \$501,310; inc., \$99,537. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	\$ 443,486	\$ 112,642
Other liability	27,428	1,651
Workmen's Comp. ..	822,082	266,733
Auto prop. damage ..	130,791	32,147
Auto collision	7,117	1,115
Other P. D. and Col.	1,278	783

Total\$1,432,182 \$ 415,071

Goodville Mut. Cas., Pa.—Assets, \$120,990; inc., \$20,398; unearned prem., \$47,648; loss res., \$1,186; liab. res., \$16,006;

surplus, \$48,103; inc., \$15,593. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	\$ 56,064	\$ 10,668
Auto prop. damage ..	41,697	8,918

Citizens Mut. Auto., Mich.—Assets, \$709,162; inc., \$116,351; unearned prem., \$355,499; loss res., \$216,574; surplus, \$67,397; inc., \$10,323. Experience on principal lines:

	Net Prems.	Losses Pd.
Total	\$ 754,268	\$ 459,118

Factory Mut. Liab., R. I.—Assets, \$11,081,930; inc., \$1,101,263; unearned prem., \$1,122,657; loss res., \$84,590; liab. res., \$2,522,094; capital, \$250,000; surplus, \$5,381,596; inc., \$564,889. Experience on principal lines:

	Net Prems.	Losses Pd.
Auto liability	\$2,402,084	\$ 654,936
Auto prop. damage ..	593,036	128,666
Auto collision	135,193	38,790

Total\$3,130,313 \$ 822,392

Move to Danville, Ky.

The Franklin Mutual of Chicago has moved its Louisville branch office permanently to Danville, Ky., because of the flood experience. William Dietzmann, the manager, has opened the new office in the Citizens Bank building at Danville.

Complications Involved in Expense Sharing Plan

SAN FRANCISCO, Feb. 17.—The opening of the San Francisco-Oakland Bay bridge has stimulated the use of automobiles by the 10,000 East Bay residents who commute to San Francisco to work. Private owners are carrying persons to and from work on a share the cost basis, which is in violation of the liability policy provision. However, a rider can be secured by the payment of additional premium to take care of the situation. Many drivers are ignorant of the fact that they are voiding their present policies by driving on a cooperative basis. Many may attempt to evade the situation by the "gift" process, assuming that they are merely guests. However, in case of an accident the guest may testify that the driver was negligent and that he was being transported for a consideration, not necessarily monetary. A friend may be a friend until he has received injuries in an accident that runs up hospital bills. In such a situation he will not hesitate to testify otherwise in accordance with any oral agreement he may have with

the driver-owner of the car. In this event if a rider has not been attached to the policy the owner is without coverage.

The National Bureau of Casualty & Surety Underwriters has advised the Society of Insurance Brokers of San Francisco that the correct rate to charge for public liability is under private livery. However, some of the companies are writing an endorsement covering the situation and charging 50 percent additional on the regular public liability rate. Fire companies will charge 2 percent additional for fire and theft and 1½ times the manual collision premium, according to the society.

This situation does not apply to private owners who go on occasional weekend or vacation trips with friends sharing the expense. This operation is commonly called a joint venture and does not affect the insurance in any way.

Ask Leniency for Those in Flood

Insurance Director Palmer of Illinois, who is president of the National Association of Insurance Commissioners, has bulletined the other state officials, suggesting that they request the companies domiciled in their states to extend leniency to policyholders in the flood area in the payment of premiums where circumstances warrant such consideration. Such a communication was addressed by Mr. Palmer to the life and accident and health companies in Illinois and he sent a copy of his letter to the commissioners of other states, with the suggestion that they do likewise. In the letter to companies, Mr. Palmer points out that life and accident and health companies generally have extended such leniency to policyholders. The executive committee of the insurance commissioners' convention, the letter states, commends this attitude and suggests that a similar program be adopted by all companies. Each company addressed is asked to inform the commissioner of their attitude.

Write Taxicabs in Ohio

The Aetna Casualty & Surety, American Automobile of St. Louis, American Fidelity & Casualty of Richmond, Va., Buckeye Union Casualty of Columbus, O., Hartford Accident & Indemnity, Ohio Casualty of Hamilton, O., Tower Mutual of Cincinnati, Travelers, Manhattan Mutual Automobile Casualty, 1775 Broadway, New York City, are the main companies writing taxicab business in Ohio. Some are writing it in a limited way and others quite extensively.

Joseph Los Angeles Head

LOS ANGELES, Feb. 17.—J. E. Joseph, manager Ocean Accident and Columbia Casualty, has been elected chairman of the Casualty Managers Association, succeeding H. C. Gillespie, United States Fidelity & Guaranty. Hugo Methmann, Fireman's Fund Indemnity, was elected vice-chairman, succeeding Mr. Joseph. L. B. Grayson, Standard Surety & Casualty, continues as secretary-treasurer.

Claim Men Consider Bill

The San Antonio Claim Men's Association, with President Raymond Weir in the chair, held a round table discussion of the bill to require all adjusters in Texas to be licensed attorneys. Consensus was against the measure for the reason that the only time the technicalities of the law are definitely presented is when company and assured cannot reach a satisfactory agreement. Adjusting is a specialized service for which legal training does not give any special fitness.

Commissioner Hunt Chairman

Commissioner O. B. Hunt of Pennsylvania has been made state chairman in charge of arrangement in Pennsylvania for the Democratic victory dinners March 4.



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Michigan Agents in Mid-Year Meet

(CONTINUED FROM PAGE 5)

depressed business conditions throughout the state lent a brighter aspect to the future and probably helped to bring out many agents who otherwise might have stayed at home.

The farm program, a unique department for the Michigan association, was explained by the new farm committee, headed by P. D. Worgess of Lapeer. Several members of the committee, after a preliminary meeting here early in January, had conferred with executives of farm writing companies in Chicago and had been assured of cooperation in the campaign being considered for this state. The matter was laid before the agents and given hearty approval with the result that a series of regional meetings will be held throughout Michigan to which farm writing agents will be specially invited and which will be attended by at least one representative of a farm writing company in addition to members of the committee who are, besides the chairman: P. J. Braun, Flint; Charles Olds, Harrisville; A. B. Caris, Alma; Leland Funk, Niles; G. E. Lee, Gladwin, and J. H. Edwards, Grand Rapids. Three educational meetings are being planned for April, the first two to be held in Battle Creek and Saginaw.

Discuss Legislative Plans

It was agreed after discussion that the qualification law and an enlarged appropriation for the Michigan department will be the sole legislative objectives of the association. Clyde B. Smith, Lansing, former president National association, and legislative committee chairman, had considered a somewhat more elaborate program but it was decided that more could be accomplished by concentrating on the two projects. Assistance in obtaining an enlarged department budget was assured by several members of the insurance committees of the senate and house who attended the luncheon meeting with Commissioner Gauss.

The commissioner is seeking at least \$35,000 more than was allowed the department by the last legislature and he has already been promised backing of the Michigan companies, although some of these carriers have been active bidders for services of young departmental executives who have been unable to resist attractive offers and so have deserted state employment during the period when an inadequate appropriation precluded maintenance of a liberal salary scale. Among the committee members present were George Weadock, Saginaw, chairman of the senate committee, and J. G. Mullen, Wallace, chairman of the house committee. Sen. Miles Callaghan, Reed City, a former house committee chairman now on the senate committee, praised the department's past record and promised his hearty support in meeting its financial needs. Other committee members present were introduced.

The business development theme continued to be in the forefront at the convention with Joseph Mundus, Ann Arbor, last year's state association president, reporting on progress and plans. Approximately 2,000 agents attended 11 regional meetings in the cities centering the 11 zones into which the state has been divided, he said. F. S. Dauwalter, manager Business Development Office, was also present and spoke.

W. S. Ellis Speaks

W. S. Ellis of the Royal fleet's Chicago office talked on "The Supplemental Contract." He asserted virtually every fire contract should carry the supplemental contract but he gave some warnings regarding its misapplication. During the present period when there is much emphasis on strikes, with their threat of violence, he explained it is particularly important that agents distinguish between full riot and civil com-

motion covers and the limited protection given under the supplemental. The latter, he said, does not protect against direct damage by rioters but only against fire or explosion resulting from riots. Relative to the plate glass protection feature, he stressed that a loss must be adjusted on the same basis of insurance to value as that of the main contract.

Committee Reports

Some constructive suggestions were offered by the local boards committee, adoption of whose report will result in letters going out to all of the local associations recommending that they make their names uniform, that they hold their annual meetings at the same time, and that they make their memberships coextensive with state and national as-

sociations. Martin Mullally, Muskegon, heads this committee.

The membership committee, whose co-chairmen are R. A. Bradley, Ann Arbor; L. H. Kruger, Niles, and R. J. Bath, Iron Mountain, reported on plans for a membership campaign to be conducted late in March in conjunction with the National association's membership effort. The present state membership is in the neighborhood of 400, with a dozen or more new members signed up at the mid-year session, a half-dozen from Saginaw alone.

The fire and accident prevention committee, whose report was given by A. B. Millard, Grand Rapids, cochairman with Dean Howland of Detroit, urged cooperation with the safety efforts of other organizations. An excellent example of some of this work was provided in the form of sample policy enclosures prepared by the Grand Rapids Safety Council for use of agents in that city who are insuring new cars. These

cards, of bright red cardboard, carry the following warning: "Your new car has more power and thus is quicker acting. Many costly accidents have been caused by new automobiles. Usually these accidents result from the driver not realizing the power, speed and pick-up of the new car. Warn your family and friends of this hidden danger in handling your new car."

Other Points Discussed

"Use and Occupancy" was discussed informatively by C. H. Metzner, state agent for the Phoenix of Hartford at Detroit. He explained the best methods for computing values in writing this form of coverage and urged agents not to defeat their ends by injudicious "prying" into their prospect's affairs. He said the needed information is usually obtainable in tactful ways but that sales resistance immediately stiffens when a prospect is asked outright what his net profits were over any given period. He stressed the increase in use and occu-

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pany values occasioned by the more rapid turnover common to modern merchandising.

In attendance at some of the sessions were many members of the Michigan Field Club which had held its monthly meeting during the same period as the agents' session. A number of company men also were in Lansing to contact agents and gain an intimate view of local conditions. George Carter, Detroit, chairman of the conference committee, reported to the agents on several meetings with the companies on various problems relating to rates and extent of cover.

N. J. Insurance Lawyer Dies

R. W. Baker, general counsel for the New Jersey Manufacturers' Casualty, died in the Princeton, N. J., hospital, after a brief illness. He was one of the best known insurance attorneys in New Jersey. In addition to his insurance duties he was a police magistrate in Princeton.

The Midland Mutual Insurance Association, Waterloo, Ia., has been licensed for full coverage automobile insurance.

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Pay Walker Loss Without Interest

(CONTINUED FROM PAGE 5)

United States circuit court of appeals and the United States Supreme Court, a matter of possibly two or three years.

The recent trial came so close to a hung jury that it is not funny. This is really pretty good for the companies on a fallen building case. The testimony on both sides practically had the building coming down before anybody saw any fire, but when the men running for their lives turned around to look the walls were down and the ruins were in flames from end to end. The companies contended that there was no explosion, and that the quick spread of the fire was due to sparks igniting whisky from barrels broken in the fall, but the quickness with which flames followed the fall may have led the jury to think that if the fire could spread so fast, there might have been an explosion after all. The technicalities of the law put the burden of proof on the companies, which means they needed the greater weight of the evidence if they were to win.

Angle on Reporting Cover

An angle on reporting cover was involved in the claim but did not come out in the trial because it had been disposed of previously by Judge J. P. Barnes in ruling on motions. The I. U. B. policy was written with a limit of \$1,500,000 on contents, eleven companies taking various percentages.

The book value of the whisky and barrels in the warehouse at the time of the fire was \$2,760,259. Salvage was \$186,097, leaving a net book loss of \$2,574,162.

Hiram Walker & Sons contended in their declaration that these values would have been reported in the normal course of business, and premium paid thereon, and that therefore they should recover on the values that would have been reported. After the fire they tendered the reports with the premiums. In other words, they demanded that effect be given to reports that would have been made in the normal course of business, but which had not yet been made at the time of the fire. Judge Barnes ruled that the stated limit should hold.

Assured Must Raise Cover

Their claim was not unlike the demand made by the Western Factory Insurance Association on the binder on the building. The Western Factory contended that the binder included all the terms of the policy that would have been issued if there had not been any fire, and was sustained by the court.

There is of course a vast difference between determining the terms of a contract which both parties have agreed upon, as in the case of the binder, and forcing the company to accept a larger liability than was contemplated, or above the expressed top amount which the insured had accepted when buying the policy.

Excess values, that is, values above stipulated limits, are frequently reported under the reporting form, but it is then up to the insured to get additional protection. Sometimes this is done by buying additional specific insurance, and sometimes by arranging with the reporting form companies to increase the limit on the location affected. The very fact that there are various ways of raising a limit shows that it is not automatic, and no particular method can be forced on the company simply because the values at one spot are higher than the agreed limit.

The case was peculiar in that the \$2,000,000 conflict apparently caused no ill feeling between the parties. A little steam arose occasionally between the lawyers, but business relations between the distillery and the insurance companies were not broken off. In fact, it was rather striking that the very binder on which the Western Factory Association was held liable on warehouse No. 3 was actually carried through to pol-

icy form on the other buildings that were included in the same binder. The National of Hartford was the issuing company on the original binder. In order not to change the status quo on warehouse No. 3, the policies on the undamaged buildings were issued in the Newark, although the binder was in the National.

Massachusetts Society's Big Party of Year Held

(CONTINUED FROM PAGE 5)

this preface he examined the attitude of insurance toward compulsory automobile insurance legislation and towards fire insurance rates.

"In view of an increasing demand for the establishment of a compulsory insurance law throughout the country even in some of the states in which financial responsibility laws are now in force, are we justified in looking toward the repeal of our law?" Mr. Powers asked.

"Does the fact that in Maine a favorable report of the compulsory law has been made by committee to the legislature alter our views?"

Attitude in New Hampshire

"Should our opinions be affected by the present attitude of dissatisfaction in New Hampshire with a previously highly regarded financial responsibility law?"

"Have we obtained the opinion individually of business men as to their attitude toward the present law and if they are favorably disposed, are we engaging their good will for our business in general in acting contrary to this opinion?"

"Would a repeal of the compulsory automobile insurance law force upon us some plan far less consistent with the principle of public policy in the interest of private business?"

"Might we not have the opportunity of greater achievement in giving our energies to the perfection of the present law in the thought that the discrediting influences of the situation are spreading to all types of insurance, when as a matter of fact, the subject involves many features which are not common to any other field of insurance?"

"Is it not a fact that every objection to the compulsory law is likewise an objection to the financial responsibility law after the first unsatisfied claim?"

As to fire insurance rates he asked: "Should we consider a revision of our rating structure necessary not alone as a matter of public policy but to offset the evils of modern competition?"

"Is it not too simple under present conditions to select classes of risks in which rates may be cut or large dividends paid as is the procedure of certain organizations thereby defeating the prime purpose of insurance which is to serve the community as a whole?"

"Are not many of our risks rated too low, as well as others too high?"

Ski Coverage Is Seen as Offering Special Problem

(CONTINUED FROM PAGE 5)

of their being carried in exposed places.

A few more companies may take up the line next winter, but real experience will not be obtained until there is a winter with considerable snow to further encourage development of the sport.

Little Casualty Data

Likewise, there has been very little experience among the casualty companies as far as skis were concerned. There have been a number of ski meets held, with a general liability coverage similar to those written for baseball parks, football stadia and other places where sport events are held, being issued. At a ski exhibition held in Soldier Field, Chicago, sponsored by the "Daily Times," two men sustained slight injuries when, after the event was over, they descended the slide and were hurt when the bottom part collapsed. An of-

ficial of the "Times" said liability did not extend to these men, since he classed them as trespassers, saying the public had no business to be on the slide.

Sportsmen who have policies covering their liability for injuries caused by them while engaging in sports, should be able to secure such coverage for skiing, since the sportsmen's liability policy does not exclude the sport.

Where there are ski slides maintained by sporting associations or business concerns, the "attractive nuisance" hazard may be presented. If the apparatus is left up between meets, it provides a temptation not only to children but to adults to use it. Underwriters will have to consider this factor when they write any general liability cover.

EXPERIENCE 1936 BY LINES

(CONTINUED FROM PAGE 16)

St. Paul F. & M.		
Fire	Net Prem.	Losses Pd.
Fire	\$5,320,856	\$2,093,766
Ocean marine	1,603,492	1,043,109
Motor vehicle	1,104,170	1,298,658
Earthquake	9,077	691,084
Inland marine	1,652,070	691,084
Tornado-windstorm	693,312	333,731
Hall	221,190	55,801
Sprinkler leakage	19,835	17,284
Riot and explosion	16,861	2,886
Aircraft	35,929	4,214

Aetna Fire		
Fire	Net Prem.	Losses Pd.
Fire	\$12,027,535	\$4,700,292
Ocean marine	824,392	466,861
Motor vehicle	1,658,255	633,081
Earthquake	21,635	74
Inland marine	1,056,821	390,890
Tornado-windstorm	1,043,322	489,499
Hall	271,211	143,648
Sprinkler leakage	39,983	43,360
Riot and explosion	150,249	1,459
Aircraft	43,648	3,583
Rain and flood	38,716	96,814

American Gen. Tex.		
Fire	Net Prem.	Losses Pd.
Fire	\$166,447	\$5,027
Auto liability	168,163	39,255
Motor vehicle	207,077	84,515
Other liability	2,278	4,490
Workmen's comp.	141,124	64,344
Tornado-windstorm	32,795	6,262
Fidelity	2,456	—63
Surety	59,693	—1,465
Plate glass	17,151	5,785
Other lines	6,435	538

Central, Md.		
Fire	Net Prem.	Losses Pd.
Fire	\$746,178	\$272,422
Ocean marine	14,812	6,547
Motor vehicle	103,369	33,454
Earthquake	1,258	6,675
Inland marine	18,525	8,782
Tornado-windstorm	44,850	20,236
Hall	15,126	8,782
Sprinkler leakage	3,332	1,002
Riot and explosion	12,384	1,924

Church Properties Fire, N. Y.		
Fire	Net Prem.	Losses Pd.
Fire	\$48,814	\$4,500
Tornado-windstorm	1,669	733

Fidelity Fire		
Fire	Net Prem.	Losses Pd.
Fire	\$363,873	\$94,401
Ocean marine	1,452	22,559
Motor vehicle	63,449	9,285
Inland marine	12,835	3,717
Tornado-windstorm	12,602	5,746
Hall	11,586	5,000
Sprinkler leakage	2,077	1,367
Riot and explosion	1,367	—

Prudential, Okla.		
Fire	Prem.*	Losses Pd.
Fire	\$70,740	\$12,254
Motor vehicle	15,882	7,680
Personal effects	1,708	1,469
Tornado-windstorm	15,766	12,297
Farm	2,607	—
Reinsured	—	—

Rocky Mountain, Mont.		
Fire	Net Prem.	Losses Pd.
Fire	\$60,496	\$31,193
Motor vehicle	3,634	4,619
Tornado-windstorm	4,379	3,668

Sentinel, Mass.		
Fire	Net Prem.	Losses Pd.
Fire	\$250,328	\$97,776
Ocean marine	3,418	2,031
Motor vehicle	34,218	13,211
Inland marine	18,576	8,467
Tornado-windstorm	21,882	9,198
Hall	7,374	4,879
Riot and explosion	2,702	149
Other lines	1,531	255

(CONTINUED ON NEXT PAGE)

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(CONT'D FROM PRECEDING PAGE)

Republic, Tex.			Michigan F. & M.		
	Net Prem.	Losses Pd.		Net Prem.	Losses Pd.
Fire	\$1,805,774	\$ 649,036	Fire	\$1,001,314	\$ 391,105
Earthquake	5,006	5,006	Ocean marine	13,672	5,123
Tornado-windstorm	215,075	67,188	Motor vehicle	136,873	52,842
Springer leakage	1,426	381	Inland marine	74,302	33,869
Riot and explosion	16,623	140	Tornado-windstorm	87,530	36,792
Springfield F. & M., Mass.			Hall	29,498	19,516
Fire	\$8,511,168	\$3,324,399	Sprinkler leakage	3,746	1,773
Ocean marine	119,626	71,075	Riot and explosion	10,808	596
Motor vehicle	1,165,420	449,157	Other lines	6,125	1,020
Earthquake	5,523	1,549	National Reserve, Ia.		
Inland marine	631,569	287,836	Fire	\$813,587	\$ 338,894
Tornado-windstorm	744,004	312,735	Motor vehicle	62,458	26,590
Hall	250,731	165,887	Earthquake	1,864	20,742
Sprinkler leakage	31,841	15,073	Tornado-windstorm	45,333	896
Riot and explosion	91,864	5,070	Sprinkler leakage	2,962	
Aircraft	4,554	979	National Security, Neb.		
Other lines	52,061	8,668	Fire	\$248,726	\$ 90,807
World F. & M.			Ocean marine	59,246	26,188
Fire	\$113,300	\$ 333,404	Motor vehicle	34,456	11,151
Ocean marine	44,149	35,424	Inland marine	74,101	26,700
Motor vehicle	112,263	39,041	Tornado-windstorm	14,950	6,745
Inland marine	76,950	30,892	Hall	5,042	2,927
Tornado-windstorm	54,890	31,409	Sprinkler leakage	1,111	334
Hall	53,347	45,765	Riot and explosion	4,128	641
Sprinkler leakage	2,859	1,532	New England, Mass.		
Riot and explosion	12,624	231	Fire	\$250,328	\$ 97,776
Rain	2,462		Motor vehicle	34,218	13,210
Agricultural, N. Y.			Inland marine	18,575	8,467
Fire	\$3,795,547	\$1,512,520	Tornado-windstorm	21,882	9,198
Ocean marine	352,126	231,605	Hall	7,374	4,879
Motor vehicle	574,772	205,942	Riot and explosion	2,702	149
Earthquake	4,265		Other lines	1,531	255
Inland marine	158,883	72,313	North America		
Tornado-windstorm	215,025	117,328	Fire	\$13,305,044	\$4,843,054
Sprinkler leakage	15,830	12,333	Ocean marine	2,606,839	1,152,277
Riot and explosion	27,388	2,520	Motor vehicle	1,837,673	594,741
Alliance, Pa.			Earthquake	21,970	
Fire	\$1,492,357	\$ 544,844	Inland marine	3,260,444	1,174,799
Ocean marine	177,739	78,564	Tornado-windstorm	757,676	359,747
Motor vehicle	206,738	66,908	Hall	268,917	156,129
Earthquake	2,472		Sprinkler leakage	59,235	17,817
Inland marine	222,303	80,100	Riot and explosion	220,153	34,210
Tornado-windstorm	89,699	40,472	Aircraft	13,891	1,770
Hall	30,253	17,564	Other lines, airplane		
Sprinkler leakage	6,664	2,004	& M. V. P. D.	2,588	305
Riot and explosion	24,767	3,849	Rain	16,978	10,035
Rain	1,910	1,129	Northwestern Natl., Wis.		
Atlantic City, N. J.			Fire	\$3,122,790	\$1,059,248
Fire	\$23,955	\$ 3,495	Ocean marine	84,458	40,260
Camden Fire, N. J.			Motor vehicle	527,391	169,025
Fire	\$3,342,484	\$1,210,593	Earthquake	5,206	
Ocean marine	131,543	103,104	Inland marine	66,112	25,107
Motor vehicle	1,317,308	567,864	Tornado-windstorm	346,857	117,514
Earthquake	2,236		Sprinkler leakage	1,025	821
Inland marine	270,163	104,158	Riot and explosion	49,226	872
Tornado-windstorm	245,928	80,998	Philadelphia F. & M., Pa.		
Hall	9,212	12,805	Fire	\$829,087	\$ 302,691
Sprinkler leakage	10,122	1,502	Ocean marine	103,681	45,829
Riot and explosion	16,302	429	Motor vehicle	114,855	37,171
Citizens of N. J.			Earthquake	1,373	
Fire	\$281,855	\$ 112,447	Inland marine	129,677	46,725
Ocean marine	45,967	34,287	Tornado-windstorm	49,833	22,484
Motor vehicle	12,642	4,893	Hall	16,807	9,758
Inland marine	8,929	4,886	Sprinkler leakage	3,702	1,113
Tornado-windstorm	12,220	5,795	Riot and explosion	13,760	2,138
Sprinkler leakage	1,456	183	Rain	1,061	627
Riot and explosion	3,638	100	Security, Conn.		
Dubuque F. & M.			Fire	\$2,636,782	\$1,056,986
Fire	\$1,694,153	\$ 678,486	Ocean marine	249,535	189,864
Motor vehicle	373,164	162,535	Motor vehicle	555,701	264,218
Earthquake	2,344		Earthquake	3,323	
Inland marine	63,516	7,339	Inland marine	244,339	83,244
Tornado-windstorm	152,818	91,006	Tornado-windstorm	256,103	86,683
Sprinkler leakage	5,780	2,148	Hall	41,410	7,272
East & West			Sprinkler leakage	6,735	4,097
Fire	\$360,151	\$ 130,225	Riot and explosion	26,918	1,650
Motor vehicle	91,560	24,832	Aircraft	3,139	
Tornado-windstorm	32,305	9,757	Selected Risks, N. J.		
Sprinkler leakage	1,076	248	Motor vehicle	\$32,255	\$ 6,678
Riot and explosion	4,286	102	William Penn		
Equitable, S. C.			Fire	\$40,358	\$ 5,550
Fire	\$238,081	\$ 70,064	American Credit Gets Out		
Tornado-windstorm	13,585	4,253	Model Collection Letters		
Riot and explosion	1,112	20	The American Credit Indemnity conducted a contest for the purpose of obtaining practical collection letters. When the contest closed there were selected 30 which are published in a booklet entitled "The Best Collection Letter I Ever Used." The American Credit Indemnity asked wholesalers and manufacturers in all parts of the country and Canada to send a copy of their prize collection letter. Hundreds of letters were received from all kinds and sizes of business. The company says that a letter might be tremendously successful when used in one line of business but would not work in an entirely different line. However, in the comment that President J. F. McFadden himself makes he finds the different letters from various concerns all interesting to insurance men. John E. Heahn, manager of the sales promotion department American Credit Indemnity Company, 511 Locust street, St. Louis, states that if any of the readers of THE NATIONAL UNDERWRITER desire to have a copy they can obtain it by writing to him.		
Empire State			Recording & Statistical Corporation		
Fire	\$490,396	\$ 168,477	NEW YORK		
Motor vehicle	63,863	22,882	102 Maiden Lane		
Tornado-windstorm	23,892	12,986	CHICAGO		
Sprinkler leakage	1,759	1,370	221 West Adams Street		
Riot and explosion	3,043	280	J. Rall, president and treasurer of the Troy Insurance Agency, Troy, N. Y., died at his home there Monday.		
Granite State			Full Year Subscription		
Fire	\$1,005,381	\$ 441,088	2 to 100 Yearly Subscriptions		
Motor vehicle	45,356	19,739	201 to 300 Yearly Subscriptions		
Tornado-windstorm	42,152	12,140	301 to 400 Yearly Subscriptions		
Sprinkler leakage	1,291	339	401 or more Yearly Subscriptions		
Riot and explosion	1,397	101			
Hartford Fire					
Fire	\$23,396,837	\$9,799,300			
Ocean marine	739,777	468,796			
Motor vehicle	2,844,391	1,056,008			
Earthquake	15,264	101			
Inland marine	2,009,125	1,055,038			
Tornado-windstorm	2,669,614	1,303,801			
Hall	755,752	450,728			
Sprinkler leakage	78,782	41,215			
Riot and explosion	240,974	22,448			
Aircraft	36,367	4,007			
Other lines	194,777	45,774			
Inter-Ocean Reins.					
Fire	\$1,881,521	\$ 682,890			
Motor vehicle	142,478	62,094			
Earthquake	17,330				
Inland marine	67,429	10,368			
Tornado-windstorm	303,242	65,544			
Hall	155,406	54,831			
Sprinkler leakage	4,646	1,080			
Riot and explosion	20,767	1,143			
National American, Neb.					
Fire	\$277,127	\$ 111,800			
Motor vehicle	463,481	191,021			
Earthquake	1,722				
Inland marine	10,192	2,759			
Tornado-windstorm	70,178	70,623			

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Official Automobile Guide

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Recording & Statistical Corporation

NEW YORK
102 Maiden Lane

CHICAGO
221 West Adams Street

Public Liability Is One of World's Oldest Hazards; Modern Times Show Its Extension

By ARMSTRONG CRAWFORD
President, Great Lakes Casualty

Surprising as it may seem, there appears to be considerable ignorance about public liability being something new, having developed within the last 25 to 30 years. The true facts are quite the reverse. The oldest printed history of the record of mankind contains an account of the creation of certain definite laws regarding liability and the payment for injuries and death. Hundreds of years before the birth of the idea of life, fire, marine and casualty lines this law was enacted and the penalty for negligence meted out.

One of the earliest records of public liability appeared in the Book of Exodus, chapter 22, verses 28-33. This Jewish law, promulgated about 1500 B. C., provided if a man's livestock injured any one, the man was liable for damages to the injured or in case of his death to the injured's wife or children. This can be traced through Roman law and English common law to statutes in the United States. The law of negligence became a very important factor, based on the English law of master and servant.

The demand for public liability became a serious problem in this country about 1880, and the first record of issuance of a public liability policy dates to 1886—policies being issued by one of the English companies having representation in Boston. In the following four years, four American stock companies entered the field. From that date to this we find an increase in hazard, increase in demand for protection and an increase in number of companies writing this coverage. In 1936, there were over 100 stock companies writing public liability.

Now More Complicated

Reviewing the history of public liability and the law of negligence is a very fascinating study, but analyzing the present day situation as to modern needs of modern business, we find a much more complicated situation. This condition exists because of two factors: (1) Evolution of modern business with its numerous extensions. (2) Constantly changing statutes which make business more vulnerable and susceptible to being forced to pay both just and unjust claims. Some years ago, in the event of an accident the main problem was to decide who was guilty of negligence. Today, there seems to be a decided reversal in favor of the claimant—the question being, "who will pay for the injury," irrespective of negligence.

The law of negligence has always applied to business, stating that whatever risk a business operation included, the principal would be responsible for negligent acts which cause injury. This, boiled down, means that the hazard is an all risk responsibility for all exposures and the principal must always pay for negligence. This seemed reasonable until several operations were performed. As a result a very painful condition has been produced. When you add to this the undertow of "soak the rich" and "share the wealth," we come face to face with the present day problem. Such an environment is unhealthy and becomes much worse when shyster lawyers and unscrupulous claimants enter the picture.

Modern business is, therefore, subject to two types of public liability claims—the number and viciousness of which are governed by the multitude of new laws and court decisions which, unfortunately, erupt forth from as many different sources as we have states in the union. The sources are (1) legitimate, and (2) illegitimate.

A business organization may definitely determine Jan. 1 how it is going to conduct its business; what it will handle and

where it will operate. On the other hand, evolution removes all barriers and before the calendar year closes, it may find itself walking down entirely different paths. There is going to be considerable embarrassment and possibly difficulty if it accepts a public liability policy which covers only a few limited operations set forth in the statement of warranties, and the day of awakening find it uninsured through pursuit of a natural phase of business, doing many things which are not covered by antiquated and restricted public liability policies.

Handle Many Lines

Years ago, father, son and grandson pursued the same limited trade. A harness shop was a harness shop, and a drug store was an apothecary shop. The old form policy covering the business activity was applicable, but those days are gone forever and so are the businesses that flourished therein. The day of one single business activity is over. The day of a limited policy for each business activity is also over. Look at a modern drug store. You will find patent medicines, alarm clocks, bathing suits, golf equipment, food for consumption—both on and off the premises—and many other things. As the number of activities double, the public liability hazard at least quadruples.

A mistaken conception that claims and claim departments are necessary evils which must be cared for should be abandoned. A few days of careful research and examining public liability files of any claim department will give a liberal and valuable education. It is certainly the source of inspiration for anyone desiring to increase his knowledge and render better service to clients. Below are a few of the cases which came to my attention.

1. A brewery employed, at a regular salary, a man who owned a team of horses and an old fashioned barouche. His duties consisted of driving his rig through the town. On the side was an advertisement for the brewery. The outfit was stopped at the curb and one of the horses became playful and bit a bystander. He sued the brewery and collected. Its manufacturers and contractors policy did not provide for such contingencies.

2. The manager of a chain store thought it would be a good idea to fumigate his place of business in order to rid it of rodents and insects. He hired a man, but the fumigator neglected to serve notice of evacuation to the occupants on the second floor and death resulted. The fumigator was an independent contractor who was not collectible. The O. L. T. form on the grocery did not include coverage for this activity and the corporation owning the store paid.

Liability for Defective Porch

3. The rent collector for a real estate management corporation was informed by a tenant that the back porch was unsafe and needed repair. The collector stated that he would report it to his employer who in turn would take it up with the owner. A woman fell through the porch and received a serious injury. Her attorneys successfully collected from the real estate company, although it was not owner of the property. The company did not have a special trustee's liability policy.

4. A child drowned in an abandoned stone quarry which was used by children in the neighborhood as a swimming pool. A bank held title to the property as trustee. The parents of the deceased child successfully collected from the trust company.

5. Elevators in an office building

needed repairs. The owner of the building sublet the repairs and during the time of the installation of the new cable, a woman was tripped by some of the apparatus used by the repair man. She sued the owner of the building.

6. A retail hardware store provided shelter for a stray dog. The animal immediately attached himself to the premises. Several weeks later, the dog while immediately adjacent to the store bit a little girl. This case is still in suit, and it is likely the proprietor will pay a substantial judgment.

7. A wholesale produce concern was making a delivery to a restaurant. The customary procedure included lowering produce into the basement via a side-walk elevator. The driver delivering the produce was in a great rush and instead of waiting for an employee of the restaurant to operate the elevator, as was customary, he went to the basement and proceeded to operate said sidewalk elevator.

He neglected to keep in mind that the split door at the top of the shaft would open with considerable force. The result—injury of a passerby which resulted in a total permanent disability. There is a suit pending against the produce concern and the owner of the restaurant—neither one of which have the proper form of public liability policies which will pay the cost of the defense and the judgment which is inevitable.

Products Liability Claim

8. A small manufacturing corporation, its president and general manager, were sued jointly as a result of a products liability claim. The manufacturing firm is practically insolvent, but the officers have substantial wealth. Antiquated policies afford no protection for the corporate officers unless specifically endorsed and additional premium paid. Their policy was not so endorsed.

9. A manufacturing corporation had a branch sales office located in a distant city. The office was located on the fourth floor of the office building. The owner of the building provided awnings. One of the employees of the branch office was not satisfied with the mechanical operations of the awning and proceeded to make certain changes in the mechanism. Several weeks later, while attempting to lower the awning, said awning broke loose from its fastenings and crashed to the street. It struck a woman and her child. Incidentally, the branch office was not designated nor endorsed on the manufacturer's policy.

10. A large department store, located in a medium sized town, distributed some handbills in connection with an anniversary sale. The bill consisted of an eight page advertising booklet, printed in colored inks. A woman claimed that in removing the circular which had become wedged back of her mail box, she cut her finger on the paper, developed infection from the colored ink and hired an attorney who filed suit for damages.

Employee Was Struck

11. A manufacturer of heavy machinery decided to rent space and erect a booth at a convention. The booth was erected adjoining similar booths on either side. As one of the employees was arranging the display, it became necessary to drive a few nails in an upright to hold an advertising sign. He proceeded to hammer and missed the nail entirely. The hammer continued through the gauze bunting, entering into the next booth. There it hit the top of a display, knocking off one of the samples. The sample fell, striking a male employee of the firm who rented the adjoining booth, and the injury resulted in the loss of his eye. The antiquated public liability policy covered only the premises at the manufacturing plant, so there was no insurance.

Restricted policies give restricted coverage. Modern business cannot hamper its progress by attempting to confine its activities to conform to the narrow ruts of out-moded contracts. Modern business is daily confronted with a changed environment, and is entitled to protec-

tion. The answer is modern all risk public liability.

Rutherford Made Head of Company

(CONTINUED FROM PAGE 37)

ford, joined the Hartford Accident in 1920 and is in charge of statistical work.

Mr. Berlin is a native of New Britain, Conn., and went with the company in 1916. He engaged in payroll audit work at the home office and in the field and in 1930 became office manager.

Mr. Handley went with the company in 1917, starting with the automobile department. He was made superintendent a year ago.

Watch Effect of Reform in N. Y. on Rest of Country

(CONTINUED FROM PAGE 21)

state officials the feeling that rates are excessive and should be reduced. How dangerous this latter suggestion is may be inferred from a study of the increase in fire losses that has occurred during the past seven months, accompanied by a steady downward trend in rates. Fear is now voiced that the combination has already attained such proportions as to eliminate all prospect of underwriting profit for 1937.

Pink's Warning Noted

That the possibility of interference by state governments is by no means fanciful is evidenced by the sharp warnings given by Superintendent Pink of New York upon several occasions within the past six months that unless commissions are kept within reasonable bounds by the companies, legislation enforcing such action by the state would be sought.

The New York Fire Insurance Exchange has determinedly set about putting its house in order, and executives hope its action will inspire other controlling bodies to similar procedure.

Matter Is Long Studied

Committees of the New York Fire Insurance Exchange wrestled for almost a year seeking to devise an effective means for dealing with the practice, its final conclusion being submission of the amendments to the governing rules of the organization recently adopted, and which become operative April 1.

The annual premium income from the New York Fire Insurance Exchange territory is approximately \$30,000,000. In pre-depression years it mounted to \$40,000,000. If, in addition to the field directly controlled by the body the income from the boroughs of Queens and a section of the Bronx, which though within city limits are under jurisdiction of the Suburban Exchange, were considered, the annual return would be close to \$45,000,000, or about 8 percent of the premium income of the country. In view of this fact, and the further consideration that the membership of the exchange includes every company writing fire business in the city save one the importance of the line of procedure determined upon by it in dealing with the excess commission evil henceforward cannot be over estimated.

Miscellaneous Notes

G. R. Swantne of the Swantner & Gordon Agency of Corpus Christi, Texas, has been seriously ill for several weeks.

Mrs. Ellen McCue and D. A. Stone, Blackfoot, Ida., have opened a new agency.

The Goodykoontz Insurance Agency, Waukon, Ia., has been sold to E. A. Leschensky.

The First National Insurance Agency, Nashville, Ark., has been incorporated by A. E. Alford, L. Dickinson and Forrest Wilson.

Rebsamen & East, Little Rock agents, are holding open house in their new and larger offices Saturday in the Rector building.

MASSACHUSETTS MEDICINE BITTER DOSE

(CONTINUED FROM PAGE 37)

in 1932, \$32.69 compared to \$33.50. The average private passenger statutory rate has increased from \$25.76 in 1927 to \$33.70 in 1936. Loading for acquisition cost last year was only 12 percent compared to 25 percent in New York rates.

The \$33.70 figure reflects elimination of guest occupants' claims, which was done by the legislature as of Jan. 1, 1936, due to the fact that in 1935 about 8 percent of all losses under the compulsory law resulted from guest claims. If to the 1936 statutory rate be added the rates for both extra territorial and guest coverage, the rate rises to \$42.05. The \$37.65 rate, Mr. Stone said, compares rather favorably with the average private passenger rates in effect before the law was passed in Massachusetts when the rate was \$33.45 and contained 25 percent loading for acquisition cost, giving coverage throughout the United States and Canada.

Remuneration of agents has greatly shrunk under the compulsory law and the producers have had to do three times as much work for the reduced commission.

Non-residents Are Ignored

Among other defects of the law are that it is not applicable to non-residents, but only to owners of automobiles required by Massachusetts law to be registered. The law is not extra-territorial, giving no protection to persons who may be injured outside of Massachusetts. The law also does not cover accidents happening upon private property, as this is beyond the police power of the commonwealth. This takes in the large group of accidents occurring in garages, gasoline service stations, private parking places, many private ways or other private property of individuals or corporations. There are, in fact, innumerable accidents which are caused in Massachusetts by out-of-state cars for which the act gives no coverage. In 1935 out of 40,138 recorded accidents there were 2,526 involving out-of-state cars. Figures for 1936 are not yet available.

There is a considerable number of persons in the state who seek and manage to avoid the compulsory law. The motor vehicle registrar has estimated at least 6,000 operating automobiles in the state in violation of the act and without affording protection to injured persons.

Rate Inadequacy Harmful

The matter of rate inadequacy is vital, Mr. Stone said, for inadequate rates can result in company insolvency which deprives the people of their protection. He told of several concerns which folded up due to this cause. There were seven mutuals having approximately 75,900 policyholders who, if they had injured any person, had coverage that would not provide a full remedy under the law.

Originally the Massachusetts law did not protect persons injured by cars owned by the state, cities, towns, counties, municipal districts, etc. An attempt was made to patch this up by passing the metropolitan district commission act permitting paying judgments not exceeding \$5,000, caused by motor vehicle accidents and later extended to apply to other vehicles and to property damage up to \$1,000.

Agents Also Suffering

An onerous burden is placed on agents due to the fact the policy under the act must expire with the calendar year, thus throwing the bulk of the business in one to three months instead of expirations being scattered through the year.

Mr. Stone noted the gross injustice to insurance companies arising from the setting of the 1937 rate. The companies asked for 10 percent increase; instead the commissioner reduced the rate approximately 7 percent, this action occurring just before the November election, Mr. Stone noted. In establishing 1937 rates the commissioner reduced estimates of companies on outstanding cases and

determined the rate level on the basis of five years' experience, 1931-1935, instead of the two latest years, 1934-1935, as previously used in Massachusetts and generally recognized in making rates in other states.

Forty-two stock companies started review of the scale in the supreme judicial court, the outcome still being in the balance. Mr. Stone said whatever the result, it is a fact no company can carry on sound insurance principles under the existing rates in Massachusetts, and any system of insurance which permits political appointees to force unprofitable rates and unsound practices upon insurance companies is itself unsound.

In spite of the unjustly low and inadequate rates, Mr. Stone said, on all sides are complaints that cost of compulsory insurance is oppressive and getting more so. Many persons complain they should not be made to pay higher rates because of carelessness or downright fault of others who have frequent accidents. Under the compulsory law everybody must be insured, the bad with the good, the careless with the careful, yet ultimately no full or complete right of selection can be given to the companies.

Careful Assured Pay More

Loss experience shows that when a company loses this privilege of careful selection, a higher rate level will be required, and the careful person must pay more for his insurance than he did before passage of such a law. This is borne out by the experience figures in Massachusetts, yet the law has proved not to be a safety measure but fatalities and personal injuries have steadily increased. The courts have been clogged with claims and everybody in the state has become claim minded, Mr. Stone said.

Automobile Topic Given Attention

(CONTINUED FROM PAGE 37)

on the standard form of policy or under any special form of policy.

With regard to "guest" claims, Mr. Foster explained how the law of Ontario, New Brunswick and Alberta now provides that "the owner or driver of a motor vehicle, other than a vehicle operated in the business of carrying passengers for compensation, shall not be liable for any loss or damage resulting from bodily injury to or the death of any person being carried in or upon or entering or getting on to or alighting from such motor vehicle." Mr. Foster is of opinion that the public interest as reflected in lower insurance premium costs would be best served if all provinces were to enact similar legislation.

Contributory Negligence Act

The amendments to the contributory "negligence act" of Ontario in 1935 were also touched upon. In the absence of these amendments a "guest" plaintiff who could show that the driver of the other car was, say, even 5 percent at fault could have collected all his damages from such driver if he were insured or otherwise financially responsible even though his "host" were 95 percent responsible for the accident. The amended act provides that in any action brought for damages resulting from bodily injury to or the death of a person who was a gratuitous passenger or guest in an automobile at the time of the accident, and the owner or driver of such automobile, i. e., the "host," is one of the persons found to be at fault, no damages shall be recoverable for the portion of the damage caused by the fault of such host—a portion of which is required to be determined although the host is not a party to the action.

CASUALTY PERSONALS

W. B. Cheek, Omaha manager of the Hartford Live Stock, has been elected an honorary member of the Omaha chamber of commerce, which has extended this courtesy to only two other men. Recently Mr. Cheek was forced to withdraw from active participation in chamber affairs because of illness. He had led a campaign for building South Omaha's new bridge across the Missouri river.

C. D. Barham, 30, Cincinnati claim superintendent for the Indemnity of North America, died there as the result of injuries sustained in an automobile accident. With Mr. Barham was Miss Frances Dwyer of the North America office who received minor injuries and who suffered from shock. Mr. Barham had been in Cincinnati several years, going there from the home office in Philadelphia.

Milton A. Shaw, in charge of the casualty department of the Fireman's Fund Indemnity in Seattle, was married to Miss Mae E. Holt of San Francisco.

J. P. Gibson, president of Excess Underwriters of New York, is in Chicago on a business trip. He was in Kansas City Monday.

C. A. Henkel, 47, for many years with the Soevig & Hiscox agency in Milwaukee as manager of the casualty depart-

ment, is dead. He was secretary and treasurer of the Milwaukee Board of Casualty & Surety Underwriters. Mr. Henkel was shot by the caretaker in a cottage in Mequon, north of Milwaukee.

Frank L. Kelley, 57, counsel and chief claims agent for the Royal Indemnity in Detroit, died of carbon monoxide in his closed garage. He had been suffering from the effects of an automobile accident a year ago.

James Searles, head of the bond department of the Fidelity & Deposit in St. Louis, is at the head office for a few months taking the post-graduate course.

J. W. Henry, general agent in Pittsburgh for the Aetna Casualty, and Mrs. Henry are on a seven weeks' cruise around South America. They made the same voyage last year and for the past several years have been accustomed to taking a sea trip of some kind at about this season.

Earl B. Brink of Detroit, Michigan state manager of the Mutual Benefit Health & Accident and United Benefit Life, is leaving Feb. 26 for a cruise to South America and will not return until about March 21.

The Ralph Zork and William G. Lutz agencies of San Antonio have been merged, the firm name becoming Zork & Lutz.

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DECEMBER 31st, 1936

CAPITAL	\$ 1,000,000.00
Surplus	6,123,137.74
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	3,916,522.75
All Other Liabilities	1,882,235.22
TOTAL ASSETS	13,421,895.71

NOTE: Securities carried at \$336,887.50 in the above statement are deposited as required by law.

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Can Cancel Continuing Bonds with Reasonable Notice

Interest has been aroused by the publication in THE NATIONAL UNDERWRITER of articles on the cancellation of bonds on public officials by S. T. Mason, Detroit attorney.

A memorandum on the right of a surety to cancel continuing bonds containing no cancellation clause has been prepared by John J. Malley, New York attorney. He concludes that whether or not the surety can effectively cancel in mid-term depends more on the tactics adopted than on any legal right. In

general, says Mr. Malley, the surety bound for an indefinite and contingent liability and not for a sum fixed and certain to become due, may revoke and end his future liability in either of two cases:

1. When the guarantee contract has no definite time to run. 2. Where it has such definite time, but the principal has so violated it and it is so in default that the creditor may safely and lawfully terminate it on account of the breach.

Several citations are given by Mr. Malley to bring out the point that even though no time is mentioned in the bond, the surety can cancel upon reasonable notice to the principal.

In Emery vs. Baltz et al. 94 N. Y., 408 (1884), the court pointed out that the obligee has a right to terminate the contract with the principal and that "what the obligee may do for his own protection the surety may require him to do for the surety's protection."

Reasonable Notice Sufficient

In Lawrence vs. American Surety et al, 263 Mich. 586, 249 N. W.-3 (1933) the court held that a surety bound for an indefinite and contingent liability where the bond has no definite time to run may end his future liability by

giving reasonable notice of withdrawal. This rule is applicable to depository bonds securing public funds which bonds run for an indefinite time during the mutual will of the parties. Their continuing obligations are subject to cancellation on notice, even in the absence of a cancellation clause.

"The cancellation clause," declared the court, "merely affirmed the legal rights of the parties and fixed, by express agreement, the time of notice which they deemed reasonable. The clause in no way changes the statutory obligation. The surety is not released from liability for breaches occurring before the effective date of cancellation."

Time Element Considered

The reasonable time element has to be considered in the cancellation of bonds. In the case of Reilly vs. Dodge, 131 New York 153, it was held that notice by the surety to the effect that the surety declined thereafter to be surety, does not operate immediately to discharge the surety, but only after reasonable time has elapsed sufficient to enable the sureties to secure a new bond. Text book writers and the decisions of the federal and state courts make it clear that the accepted rule in the United States is: "A surety bound on a continuing bond (indefinite term) may cancel or revoke as to future liability, by reasonable notice to the obligee, although the bond contains no cancellation clause and regardless of whether the bond is a common law or statutory obligation."

Mr. Malley, who is connected with the National Surety's law department, is located at 4 Albany street, New York, N. Y.

mail which the railroad was carrying. The Aetna Fire paid the loss, since the currency was being sent by registered mail from a Chicago bank, insured by the Aetna Fire. The insurer based its right to recover from the Illinois Central upon a theory of negligence disassociated from any contractual relation.

The supreme court held that, when a letter is mailed, it is from then on in the exclusive control of the government. One desiring to transport a valuable parcel may choose his own means. If he chooses to commit his errand to the government, he becomes bound by the government's election of agents and contracts with the forwarding company. He cannot go back of those contracts and have recourse against such agencies as the government has seen fit to employ.

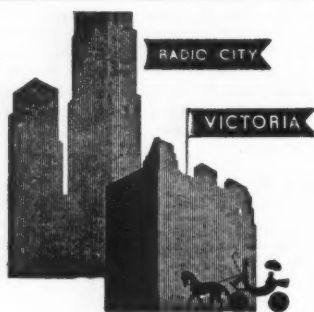
Can't Hold Seller of Stove for Defect Causing Loss

Efforts of the insurers to recover from the seller of a stove the amount of a loss allegedly caused by the stove terminated unsuccessfully with a decision of the Michigan supreme court. The case was Camden Fire et al. vs. Peterman.

The insurers took an assignment from the assured against Peterman, who sold the stove to the assured. The assured was shown the stove, had its operation explained to him, but no demonstration was made because there was no gasoline in the stove.

The court held there was no question but that the stove was defective. It also held that there was no apparent defect in the stove as it sat in the store. No inspection of the article was made by the seller before delivering it to the buyer. The defects were hidden and unknown to the seller and could not readily be ascertained without the use of gasoline. The seller may not be called upon to respond in damages for the resultant injury. The use of the words "fool proof" in discussing the merits of the stove was mere sales talk and was not intended by either party as a guarantee of the article sold.

The Chicago office of the Illinois insurance department has moved into larger quarters at A-1437-9 Insurance Exchange.



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COURT DECISIONS

Contents Injustice Is Done

Provision Criticised as to Sole Ownership Where Property Owned by Couple in Joint Tenancy

In the January issue of the Illinois "Bar Journal" there is printed some observations by Edward F. Kenehan regarding a 1935 decision of the Illinois supreme court to the effect that insurance is invalidated when written in the name of the husband only on a property held by the husband and his wife as joint tenants. The case was Pollock vs. Connecticut Fire, 362 Ill., 313,199 N. E. 816 (1935).

In commenting on this decision, Mr. Kenehan refers to the address given by Professor Goble of the University of Illinois law school before the recent annual meeting of the American Association of University Teachers of Insurance. Mr. Goble, in his address, referred to a recent survey in Urbana, Ill., showing that about 55 percent of the property held jointly by husband and wife is insured by policies in the name of one of them only. Mr. Goble's talk was on the standard fire contract. Mr. Kenehan states that since a deed to husband and wife as joint tenants is a favorite form of modern conveyance, it appears that a statutory provision is needed to correct the resulting "injustice."

Mr. Kenehan states that the argument presented by the insurance companies, and accepted by the courts, is to the effect that the clause is inserted to protect the company from over-insurance and the fraudulent destruction of property resulting therefrom. It, in effect, operates to give the company an option to avoid the contract. It is granted, according to Mr. Kenehan, that such an argument may justify an avoidance of the policy in respect to some of the interests previously mentioned. But to allow the same argument to apply to policies taken out on property held jointly by husband and wife is without justification. The rule which

was adopted for the purpose of preventing undue hardship to the insurance company produces a hardship on the assured.

Railroad Not Liable for Loss of Mail It Carries

The Illinois supreme court has held against the Aetna Fire in its efforts to collect from the Illinois Central Railroad the value of currency stolen from

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NEW YORK

Statement January 22, 1936

ASSETS

U. S. Treasury Bonds and Notes	\$1,390,291.54
Other Bonds	484,505.00
Stocks	137,543.87
Accrued Interest	16,519.07
Cash in Banks	1,037,080.82
	<u>\$3,065,940.30</u>

All Securities taken at Market Value January 22, 1936.

LIABILITIES

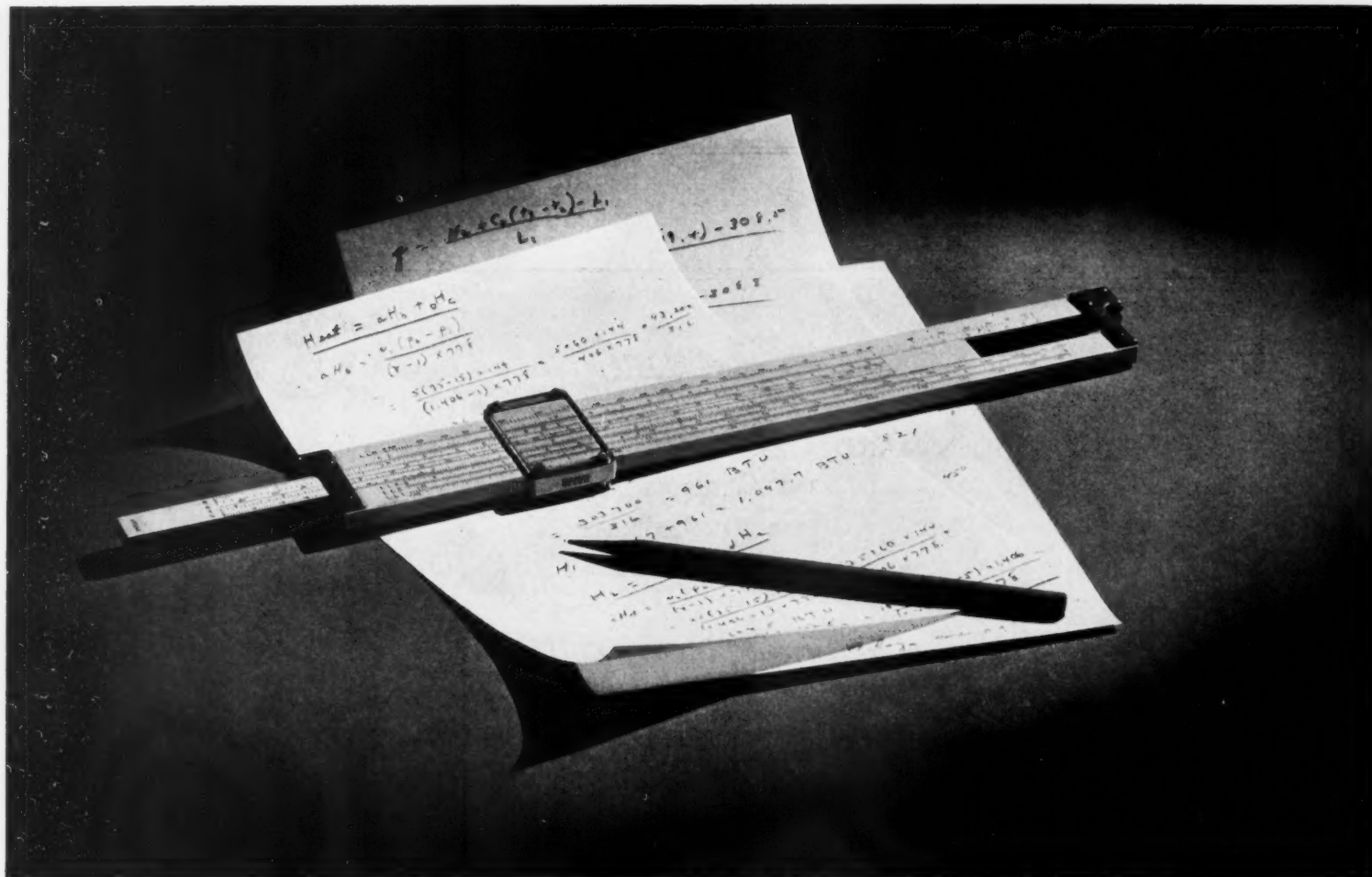
Voluntary Contingency Reserve	\$ 565,940.30
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	1,650,000.00
Surplus to Policy Holders	<u>2,500,000.00</u>
	<u>\$3,065,940.30</u>

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